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NOTE TO READER

Appearing at the same time as the English edition are editions in the six other official languages of the Communities: Danish, German, Greek, French, Italian and Dutch. The English edition contains the original texts of the interventions in English and an English translation of those made in other languages. In these cases there are, after the name of the speaker, the following letters, in brackets, to indicate the language spoken: *(DA)* for Danish, *(DE)* for German, *(GR)* for Greek, *(FR)* for French, *(IT)* for Italian and *(NL)* for Dutch.

The original texts of these interventions appear in the edition published in the language spoken.

SITTING OF MONDAY, 11 NOVEMBER 1985

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IN THE CHAIR: MR PFLIMLIN

President

(The sitting was opened at 4 p.m.)

1. Resumption of the session

President. — I declare resumed the session of the European Parliament adjourned on 25 October 1985.¹

Mr Balfe (S). — Mr President, at the very beginning of this part-session, I wish to raise in the calmest possible terms, a point of order on what I consider and

understand to be a breach of privilege in most parliaments, namely, the fact of a letter addressed to an official of this Parliament, Mr John P.S. Taylor, being intercepted by a Member of this Parliament, Mr John David Taylor, and then communicated to the Turkish Government by Mr John David Taylor, a point which he has readily admitted in the press in the North of Ireland and in other places.

I obviously do not feel that it would be appropriate to debate this matter now. However, when mail addressed to an official of Parliament is deliberately intercepted and sent to someone for whom it could never have been intended, namely, the Turkish Embassy, and when this does, as I understand, give cause for grave concern in the Commission to Mr Cheysson and to many Members in this Parliament, clearly there must be some breach of the ethics of this House.

I would ask you, Mr President, to refer the matter to the enlarged Bureau with a view to looking into this and to communicating in due course to Parliament your findings on this most dishonourable breach of privilege.

¹ Approval of Minutes — Petitions — Transfer of appropriations — Authorization to draw up reports — Referral to committees — Documents received — Texts of treaties forwarded by the Council — Membership of Parliament — Membership of parliamentary delegations: see Minutes.

President. — I have noted your statement which concerns matters about which I, personally, was totally unaware until now. This is something which needs to be looked into and checked.

Mr Cassidy (ED). — Mr President, my point of order relates to the point just raised by Mr Balfe. He made the accusation that Mr Taylor had deliberately passed on information. The information, as I understand it — and I am quoting from the *Guardian*, a left-wing newspaper, which I, as a British Conservative, do not normally read — was in fact intended for Mr Balfe and was a document designed to assist Mr Balfe in drawing up the very prejudiced motion which he put forward for debate in the House during the last part-session.

I do not think that it is appropriate, Mr President, that one Member of this House should accuse another falsely in the absence of that Member.

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* *

Mr Fitzgerald (RDE). — Mr President, during the first October part-session I raised the question of undignified treatment that I received at Glasgow Airport, having identified myself as a Member of this Parliament. You undertook at that time to have the matter further pursued. Could I now ask if an approach has been made to the Glasgow authorities. If so, what has been the response from those authorities? I would appreciate being informed.

President. — Mr Fitzgerald, as I informed you I took action on this matter by addressing a letter to Her Majesty's Government through her Ambassador to the Community. I have not yet received a reply to that letter.

Mr Fitzgerald (RDE). — Thank you, Mr President, for that information. Would you not regard it as a discourtesy to this Parliament that so much time has elapsed without a response by that government to a complaint made about a month ago?

President. — No. However, I must in all frankness state that after the matter had been referred to us a certain amount of time was needed to draw up the appropriate letter. It was only sent a short time ago. Nonetheless, I shall not fail to raise the matter again if I do not receive a reply in the next few days.

2. Agenda

President. — At its meeting of 23 October 1985 the enlarged Bureau drew up the draft agenda which has been distributed.

At its meeting this morning the chairmen of the political groups authorized me to propose several amendments.

(The President read out the amendments to the agendas of Monday, Tuesday and Wednesday)¹

Thursday:

Pursuant to Rule 56 of the Rules of Procedure the Socialist Group has requested that the report (Doc. A2-141/85) by Mr McMillan-Scott, on behalf of the Committee on Youth, Culture, Education, Information and Sport, on a Community programme in education and training for technology — COMETT should be held over until a later part-session.

Mr Arndt (S). — *(DE)* I should like to justify this request briefly. We consider this report to be extremely important and we take the Community Programme for Training and Retraining in the Field of Technology very seriously. This report only came into our hands in the course of today so that we did not have time to consider it at today's meeting of our group, nor can we do so tomorrow morning because a meeting of the Committee on Budgets is being held tonight, and we shall have to decide tomorrow how and in what terms my group will react to the proposal of that committee.

Moreover, Rule 59 of our Rules of Procedure specifically states that 'a debate and vote shall not be opened on a text unless it was tabled not later than twelve days before the beginning of the part-session'. That did not happen in the case of this report. It also states — and we often overlook this, because we know the difficulties the Bureau has with the agenda — that texts must have been 'distributed at least twenty-four hours previously'. This item cannot therefore be taken on Wednesday, because the part-session begins today, and the report had not been distributed twenty-four hours before the part-session. It is because this is a particularly interesting item that we are asking for it to be removed from the agenda and placed on the agenda for the December part-session, because my group quite simply has not had time to consider the report.

Mr McMillan-Scott (ED). — Mr President, as Mr Arndt has said, it is an important report. I was given to understand earlier this afternoon that the Socialists' objection had been withdrawn, and I am a little unclear on this matter now.

I believe that Parliament should debate and vote on this motion because the Council, as I understand it, is meeting on 5 December and it would be a great pity for Parliament if, whether or not a decision is taken,

¹ See Minutes.

McMillan-Scott

its opinion were not taken into account at that meeting.

(As the electronic voting system was temporarily out of order, Parliament, voting by sitting and standing, rejected the request)

President. — I have received two requests, pursuant to Rule 56 of the Rules of Procedure, on the urgent and topical debate:

- from the European Democratic Group to delete from the agenda the debate entered as Item No 252 on Thursday's agenda;
- by Mr Ford and 20 other signatories seeking to prolong the debate by one and a half hours, that is to say calling for a three hour debate.

We shall vote first of all on the proposal from the European Democratic Group. If this request is approved the second request will be void.

Sir Fred Catherwood (ED). — Mr President, I think we are all agreed that the urgent debates are part of the centrepiece of this Parliament and enable us to arrive at a considered view on what has happened in the previous month. What is just as important, however, is that the world takes some notice of the views that we come to. Our group thinks that it is totally unacceptable to take this item between 10.30 p.m. and 12 midnight, after we have had the budget vote. We simply do not think there will be a representative number of people present for that debate, and we do not believe that we ought to have a debate for which there is likely to be a very light attendance, because that does not give the weight that is necessary for the rest of the world to take notice of what we have to say.

We do agree that it is very difficult, with the full budget and all the voting to put this elsewhere and therefore, reluctantly, we ask that it be deleted from this agenda. We also bear in mind that there was the second October part-session not so long ago.

Mr Ford (S). — Mr President, in fact I am rising on a point of order. Rule 55(3) says that:

'One or two periods, together totalling a maximum of three hours, shall be set aside in the draft agenda for debates on topical and urgent matters pursuant to Rule 48'.

I would ask you therefore to rule Sir Fred Catherwood's proposal out of order because it goes against the Rules of Procedure. There is no provision in the Rules of Procedure for not having a debate. Therefore, Mr President, I ask you to give an immediate ruling as to whether that is a valid proposal or not. It would appear to contradict the Rules. Hence we

should not be voting on that matter, since it is not something that Parliament has competence to vote on without amending the Rules.

President. — Parliament can decide as it sees fit.

(Parliament approved the request of the European Democratic Group)

President. — The Rainbow Group has requested, under Rule 56 of the Rules of Procedure, that the report by Mr Bocklet (Doc. A 2-185/85), on behalf of the Political Affairs Committee, on the draft uniform electoral procedure for the direct elections to the European Parliament be entered after the debate on a People's Europe (Items 241 to 244).

Mr Vandemeulebroucke (ARC). — *(NL)* Mr President, the Seitlinger Report on a uniform electoral procedure was adopted in 1981. In the meantime, there has been a further exchange of views on electoral procedure in the Political Affairs Committee, and Mr Bocklett has been appointed rapporteur for the relevant report. The report has been discussed at great length, and the Political Affairs Committee adopted it this February. It is quite scandalous that more than nine months have been allowed to elapse between adoption of a report by the Political Affairs Committee and its tabling in plenary session. I am not concerned here with the content of the report, for on that we each have our own opinion, but when a particular political group considers that it is not politically expedient to bring the report directly before the plenary session, it amounts to nothing short of an abuse of the procedure of this House whereby a draft report is first adopted by the committee responsible and is then referred after the vote to the Bureau, which tables it for the plenary. The item has been formally referred to the Bureau, but despite this the Bocklett Report on a uniform electoral procedure has still not been tabled. I wish to protest at this situation and ask now for this item to be placed on Thursday's agenda.

Mr Arndt (S). — *(DE)* Mr President, I am against this proposal for two reasons. The first reason is that although this matter is extremely important, some clarification will be needed — including clarification between the political groups — following the report of the Committee on Legal Affairs and Citizens' Rights. It would therefore be wrong to put this item on the agenda today, for it would lead to serious problems when it came to a vote. I also believe that opinions generally within Parliament would be unclear.

The second reason is, at least for my political group — and I hope also for many others — a much more important one. There are now only six weeks remaining until Spanish and Portuguese Members take their seats in this House, and this item clearly concerns

Arndt

them too. I would consider it an affront to them if we were to decide on a matter concerning electoral rights six weeks before they joined us. I am therefore against the request.

(Parliament rejected the request)

Mr Arndt (S). — *(DE)* Mr President, I have been informed by fellow members of my group that it was generally agreed that the report by Mr Ebel, on behalf of the Committee on Transport, should be referred back to the committee. I should be grateful if we could reach a decision on this today in case any of us should want to prepare for the debate and perhaps table amendments.

Mr Anastassopoulos (PPE), Chairman of the Committee on Transport. — *(GR)* I would like to thank the Leader of the Socialist Group, Mr Arndt, for his recommendation. The group to which I have the honour to belong had intended to raise the matter, i.e. whether it might be possible to bring forward the Ebel report on today's agenda, precisely because it intended to ask that this report should be referred back to the Committee on Transport. Since there was some opposition when this was discussed in the secretariat, no such request was made. But I too would like to take advantage of Mr Arndt's proposal, to ask that the report be debated today and that the relevant decision should be taken in accordance with the Rules of Procedure. As you know, after the debate following the Nordmann report the Committee on the Rules of Procedure and Petitions issued the opinion that the debate on referring back a report to committee should only take place when the item on the agenda came up for debate; a view which the Presidency accepted.

In accordance with that opinion, which you accepted, we could only debate the matter today if we decided to bring forward the debate on the Ebel report. With your permission therefore, and taking advantage of Mr Arndt's recommendation, I should like to request that this decision be taken and to ask, as chairman of the Committee on Transport, that the Ebel report should be referred to the Committee. Why? Because the report split the Committee on Transport, it was passed by a somewhat peculiar majority, i.e. 6 for, 4 against, and 6 abstentions, and I would like it referred back to the committee so that we may reconsider it and present the House with a more clear and explicit report.

Mr Klepsch (PPE). — *(DE)* Mr President, I think there is a majority in the House for referral back to committee. But we have a procedural problem. Strictly speaking the request for referral back to committee can only be made when the debate on the report has been opened. That can only be done if it has been called as an item from the agenda. I therefore propose — if the House agrees — that the Ebel report be

called now from the agenda and a decision taken on whether or not to refer it back to committee. The whole procedural problem would then be resolved.

President. — The procedure which has been proposed is somewhat unusual. I am not referring to the substance of the matter, but the question surprises me.

This report was entered on Thursday's agenda. Those who feel that it should be sent back to committee can propose this when it comes up on Thursday. Why then indulge in, I was about to say, the acrobatics of putting it on the agenda now and then sending it back. I admit that this is somewhat beyond my comprehension.

Mrs Veil (L). — *(FR)* Mr President, to secure an amendment of the agenda a request has to be made in advance. Consequently it was also a breach of the Rules to make this request now.

If it were decided, today, to remove it from the agenda it would be against the Rules, but that decision can be made. But it would be just as much a breach of the Rules to decide to take it now.

Why then these 'acrobatics' over the Rules?

Mr Anastassopoulos (PPE), Chairman of the Committee on Transport. — *(GR)* Mrs Veil would be right in what she says concerning adherence to the Rules, but in the present instance a request was submitted on Friday, signed by 10 members of my group. Consequently, there is no formal difficulty in bringing the matter up for debate, as it has already been raised on the basis of Mr Arndt's recommendation and the proposal by Mr Klepsch with which, may I say, many colleagues agree. I think this is a purely formal matter; we can decide that the report should be debated now, and immediately afterwards I shall apply for its referral to committee and the House can decide. This procedure would be adopted simply to comply with Rule 85.

President. — Mr Anastassopoulos, we seem to be in Byzantium.

Mr Huckfield (S). — Mr President, in connection with what the chairman of the Committee on Transport has said — and I do not want to disagree publicly with him here this afternoon — the view that the matter ought to be referred back to the Committee on Transport is not the view of the Committee on Transport as a whole. The fact that this report was only adopted by a small majority in the Committee on Transport certainly presents us with no *prima facie* reason why it should be referred back to the committee.

Huckfield

I would hope that you would take note that the view expressed that there ought to be a referral back to the Committee on Transport certainly does not have the support of the majority of the Committee on Transport.

President. — Ladies and gentlemen, I regret that I cannot satisfy everybody. I must apply the Rules of Procedure strictly, otherwise we shall get nowhere.

What then is the situation? As Mr Anastassopoulos pointed out, 10 Members requested that this item be entered on today's agenda. However, this request has been withdrawn. It is not possible to request now — since the request must be made in advance — that it be entered on today's agenda. This is not possible from a formal point of view, but the matter does not end there since it has been entered on Thursday's agenda.

On Thursday those who are in favour and those who are against referral back to committee will be counted and, in accordance with the Rules, the majority shall decide.

(Applause)

President. — With regards to Friday:

On 24 October 1985 Mr Hughes and 12 others submitted a request for urgent procedure on the two reports by Mr Croux (Doc. A 2-131/85 and A 2-132/85), on behalf of the Committee on Energy, on respectively, aids to the coal industry and coal and coke for the iron and steel industry in the Community, entered on Friday's agenda for procedure without debate.

Since there does not seem to be any possibility of declaring receivable a request for urgency from one session to another, Mr Hughes' request can only be regarded as a proposal under Rule 56 of the Rules of Procedure to amend the agenda. However, since the reports are already on the agenda there is no need for Parliament to vote in this request.

Mr Hughes (S). — On a point of order, Mr President, I would remind you that this was tabled during the last part-session and announced on the Friday of that part-session, so I cannot for the life of me see how under the Rules you cannot allow me to speak in support of that proposal. I have put a request to you. I cannot see how, under the Rules you cannot put it to the vote this afternoon. I would like you to rule on that, and I would like to be called again to speak in support of the request by myself and 20 others, under Rule 57(1), to have a debate on Friday on the Croux reports.

President. — As I already stated, these two reports have been put on the agenda.

Mr Huckfield (S). — Mr President, I am sorry, but three of us were, in fact, waiting for you to reply to my colleague, Mr Hughes, who, we feel, made a substantial point. The substantial point that he made was that we cannot understand how it is possible for this topic to be announced at the last part-session. We tabled — perfectly in order and conforming to the Rules of Procedure — a request supported by 21 signatures. We did this during the last part-session, saying that we wanted to have this properly debated. We did not want to see it just passed on the nod or going through purely by voting. We wanted an adequate and proper debate on it.

My colleague, Mr Hughes, raised that point. As far as we can see, the point that he raised is simply asking you to implement the Rules of Procedure of this Parliament. Can you please, Mr President, tell us why you are not prepared to do that?

Mr Arndt (S). — *(DE)* Mr President, there are two provisions of the Rules of Procedure that clearly apply here. However, it is not so clear whether they are compatible with each other. One of them states that if a committee has placed a report without debate on the agenda and a debate is nevertheless to be held, the item must be referred back to the committee. In other words, this would mean that if this request is adopted the whole matter cannot be decided until December. I think that is completely wrong. It has been said that the request is supported by Rule 57. If that is so, I should be grateful to those who have made this request if they would read paragraph 2. It states that the vote on such a request is to be taken at the beginning of the sitting following that during which the text of the request was printed in the official languages and distributed to all Members. That would only be possible during this sitting at the earliest, so that we could only vote on this request in December, but under no circumstances today, because the request has not been printed and distributed. I am therefore against the request. My group has decided by majority vote to stick to the procedure without report.

Mrs Veil (L). — *(FR)* Mr President, I do not understand very well this procedural debate.

I understood from Mr Hughes' request that a call had been made for this issue to be dealt with in urgent debate. But I see in the agenda that these two reports are scheduled *without debate* for Friday. Is the intention to have us waste our time for the fun of it, since it is quite clear that Mr Hughes' request has been accepted? Are we to be treated as imbeciles, do we want to talk for the sheer pleasure of talking? I really think we are being taken for a ride! These two reports are scheduled *without debate* as requested. I do not understand what we are arguing about!

(Applause from the centre and the right)

Mr Ford (S). — As one of the signatories to this resolution, the problem that concerns me is this. Under Rule 57(1) — Mr Arndt invoked Rule 34 — we submitted during the last part-session a request for urgency in this matter. On the Friday of the last part-session it was announced that there would be a vote today on the matter. And printed in the relevant minutes of the last part-session, which I presume were available in all languages, was a request for urgency by 21 Members. Now what we cannot understand is how the announcement on that Friday can now be out of order. I would be grateful if the President could inform us, first under which rule it is out of order and, secondly, the object of the exercise. And since we are invoking Rule 57(1) rather than Rule 34(2) might we not have a debate on Friday morning this week on what we consider to be an important matter? This would appear to create no problems for Parliament: those who normally leave on Thursday will not have to stay on, while those who are genuinely interested in the coal industry in the Community can have a debate on the matter on Friday morning. So can I ask the President if he will put that to the vote?

President. — Let me put a precise question to you: 'What do you wish to achieve?' Do you want these reports to be taken with debate on Friday? Is that it?

If it is a question of putting them on the agenda, this has already been decided. As Mrs Veil has already confirmed, these reports have been entered *without debate*. If I have understood you correctly you wish them to be taken *with debate*.

In that case we are faced with the situation envisaged in Rule 34(2):

'The Commission's proposal and, where appropriate, the motion for a resolution contained in the report shall be put to the vote without debate unless a political group or at least 10 Members of Parliament lodge a protest in advance'.

Is there an objection to it being taken without debate? That is what I understand you to mean since you are asking that it be taken *with debate*. This requires that the request be made by at least 10 Members or a political group.

If that is the case the Commission's proposal will be referred back to the competent committee for re-examination. If your request is adopted these reports will be referred back to committee.

Mr Ford (S). — Mr President, I do not wish to delay this Parliament, unlike the Members over there. However, the reason we used Rule 57 rather than Rule 34 is that we do not wish the matter to be taken off the agenda. We wish to have it debated this week. If urgency is agreed by vote, Rule 57(4) says that 'the President shall determine the time of the debate and

vote'. If urgency is carried, we shall transform an item that is now on this week's agenda without debate into an item on this week's agenda with debate. What we are asking for is a vote to allow us to have a debate on the subject on Friday morning, not next time, not to refer it back to the committee but to have a debate this week. I believe that Rule 57 allows us to do that. It allows a matter that is on the agenda *without debate* at the moment to be changed to *with debate* without delaying the matter, because it is urgent.

President. — In my view we have the situation referred to in Rule 34.

If you look at Rule 57(4) it states:

'Questions to be dealt with by urgent procedure shall be given priority over other items on the agenda. The President shall determine the time of the debate and vote'.

However, these reports are already on Friday's agenda.

If your request is adopted by the House, I shall apply rule 34(2) which will mean that these reports will be referred back to the committee.

Mr Croux (PPE), rapporteur. — (NL) As rapporteur I should like to make one comment. It is obvious that our British counterparts do not want this report to be referred back to committee. But priority must be given to taking my report this week, Mr President. I would advise our British colleagues to proceed with caution, because if they really want a debate and the President applies Rule 34, then something will happen that no one wants, including those moving this request. The Committee on Energy, Research and Technology voted unanimously on this, and during the preceding discussions with our British counterparts they confirmed this to me. We also accept that it is very urgent, and indeed it is an urgent matter of a transitional provision on which a vote must be taken before the end of this year and before the Council of Energy Ministers can reach a decision without taking the rights of Parliament into account. A debate on the substance of the report will come later.

I would ask my British counterparts to think very carefully if the President asks whether you wish to apply Rule 34, because then the report will be referred back. I therefore ask them to withdraw their request. I want to draw their attention to the fact that under the procedure without debate a written explanation of vote is one possible option. An oral explanation of vote is one possible option. An oral explanation of vote cannot be delivered next Friday, but a written one can be. This will enable them to put forward their views to the general public. I think it would be very unfortunate if, after the splendid unanimity of views that we achieved in the Committee of Energy, Research and Technol-

Croux

ogy, and also in the talks that were held prior to this sitting, we were now to be faced with the unfortunate circumstances that this item will have to be held over until the next part-session, that it will first have to be referred back to the committee even although that committee has already drawn up a report and adopted it practically unanimously. I urge my British colleagues to withdraw their request. They can submit a written explanation of vote on Friday making their position on this matter clear.

Mrs Veil (L). — (FR) Mr President, I think there is great confusion at the moment because in fact we are confronted here with two Rules which might appear contradictory: Rule 34 and Rule 57. Now, this is the first time a request has been made in this Assembly for the application of Rule 57, that is to say a request for urgent procedure on a matter scheduled for consideration in the agenda of the present part-session. That is the reason for the confusion.

Up to now a request for urgent procedure has been made by the Council, the Commission or by Members only in connection with matters which Parliament was not scheduled to discuss during the part-session for which urgent procedure was requested.

I think that this is a problem that ought to be referred to the Committee on the Rules of Procedure and Petitions if there is felt to be any ambiguity, but I do not think there is any ambiguity here as the committee requested the report without debate. We would be defeating the object of the exercise if, by requesting urgent procedure, we were merely to defer the matter to a later part-session.

President. — Thank you for clarifying the point under discussion. Mr Croux already stressed that point.

My personal — though not a strictly legal — opinion is that I think the Committee on the Rules of Procedure and Petitions should clarify the matter. However, for the moment we must reach a conclusion. I remind the House that the situation is as follows:

Two reports have been entered *without debate* on Friday's agenda which, as was pointed out a moment ago, does not exclude the possibility of written explanations of vote. If some Members insist that the agenda be amended to substitute *with debate* for *without debate*, I shall apply the rule which provides for referral back to committee so that the end result will be exactly the contrary of what you are seeking to obtain.

Mr Hughes (S). — Thank you, Mr President for that valuable clarification. You are right in the assessment you have given us except in one respect. The agenda that we now have before us was not available at the time we put down this request and at the time when it was announced on the Friday of the last part-session

that we would have an opportunity to vote and speak to the issue at 4 p.m. today. I am pleased you have agreed to put the matter to the vote under Rule 57(1) but I hope you have not forgotten that I did request permission to speak in favour of that request. So far there has been a series of points of order but no speakers for or against on this issue. May I now speak for a minute or two in support of this request?

President. — I am sorry but we cannot continue like this. We are really wasting time. If there is a problem concerning the application of the Rules of Procedure, I am quite prepared to submit it to the Committee on the Rules of Procedure and Petitions. For the moment we have to find our way out of what some might consider to be an impasse, although it in fact is not.

Those in favour of amending Friday's agenda to replace *without debate* by *with debate*, please show.

(Parliament rejected the request to take the two Croux reports with debate)

President. — Pursuant to Rule 56 of the Rules of Procedure the Group of the European People's Party has requested that Mr Cornelissen's report (Doc. A 2-126/85) on behalf of the Committee on Budgets, on the replacement of financial contributions from Member States by Community's own resources, scheduled to be taken on Friday without debate, should be included in the budget debate on Monday and Tuesday.

Mr Klepsch (PPE). — (DE) Mr President, I know that your advisers take the view that if we accept this request we shall be faced with the same problem as we have already discussed in another context. But I would not support that view. If we take the Cornelissen report along with the other reports tabled for Monday, it will of course remain a report without debate, and we are not asking for a debate on it to be held. All we are asking is that it too be taken on Monday.

President. — We still have the same problem as before.

Mr Klepsch (PPE). — (DE) Mr President, it is not the same problem. We are not asking for the Cornelissen report to be taken with debate instead of without debate. All we are asking is to be allowed to take it in the general debate on Monday and put it to the vote with the other items.

Mr Arndt (S). — (DE) I do not understand. Mr Klepsch is saying that he doesn't want a debate on the report, but he does want the report to be included in the debate. That really is incomprehensible. I should be very grateful if we could leave the reports without

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debate on the agenda for Friday morning and did not take them together with any other items on the agenda. If any of us wish to speak on substantive points in relation to the Committee on Budgets, they can of course do so. In the budget debate we can discuss anything that happens in the Community. But I should be deeply grateful if the Christian-Democrats would accept that this request should now be withdrawn and we simply put the items to the vote on Friday.

Mr Klepsch (PPE). — (DE) Agreed. We withdraw the request.

President. — Mr Romeos and 9 others have requested, under Rule 56 of the Rules of Procedure, that Mr Boserup's interim report (Doc. A 2-129/85), on behalf of the Committee on Budgetary Control, on monitoring problems in the olive oil sector, scheduled to be taken as item 253 on Friday, should be held over until a later session in order to enable these problems to be dealt with in a definitive report which would also take account of the opinion of the Committee on Agriculture.

Mr Aigner (PPE), Chairman of the Committee on Budgetary Control — (D) Mr President, if I have understood you correctly you are now referring to the Boserup report.

May I point out that this is an interim report that was also adopted unanimously in committee, and also had the support of Members who also sit on the Committee on Agriculture, Fisheries and Food.

We have this report of the Court of Auditors. It represents an initiative on our part in that it was we who asked for this report. It is a very cutting report, I must admit. It also encroaches on the regulation of markets, and rightly so, because if the supervisory authority determines that the marketing regulations are not working, then the supervisory side has an obvious bearing on the regulatory side.

We also warmly urge the Committee on Agriculture, Fisheries and Food to deliver its opinion as quickly as possible so that we can consider it together with the final report when the latter is made available, since we should like the opinion of the Committee on Agriculture, Fisheries and Food to be fully represented. The matter is urgent because the regulation of this market relates to a figure in the region of 1,000 million ECU. We know that mistakes have been made of the order of more than 10% of that sum. I therefore urge that, come what may, we consider this interim report on Friday.

Mr Romeos (S). — (GR) Mr President, the proposal I put forward does not merely represent the view of its

ten signatories, but is essentially that of a majority on the Committee on Agriculture, Fisheries and Food, because it was considered that the Agriculture Committee's opinion was relevant and should be debated along with the Boserup report. Besides, as also emerges in the last paragraph of the Boserup report's arguments, the Committee on Budgetary Control itself concurs with the Agricultural Committee's position and views.

A debate and vote on the opinion by the Agriculture Committee has already been timetabled for next week, specifically on 18 November, and I think we can agree to refer both matters to the December part-session.

(Parliament rejected the request and adopted the agenda as amended)¹

Mr Falconer (S). — Mr President, when the Croux reports were being discussed, you said that there was a conflict between two of the Rules of Procedure of this Assembly and that you would refer the matter to the Committee on the Rules of Procedure and Petitions. Mrs Veil also spoke about people making a mockery of the procedures of this institution.

Mr Hughes and twenty others placed on the agenda a question for urgent debate and asked that the time be extended from 1 ½ hours to 3 hours in accordance with the Rules of Procedure. I did not hear you consult your excellent staff beside you as to what the Rules of Procedure have to say on the question of whether or not this debate should be held. Instead, you put it to the vote of this House and by doing so actually jeopardized the Rules of Procedure of this House. You said you would refer the conflict between the two Rules to the Committee on the Rules of Procedure and Petitions. Will you also refer to it the question whether, by your action in proceeding to the vote on the Hughes urgency request, you have abused the rules of this Assembly? I would ask that you refer that to the Committee on the Rules of Procedure and Petitions.

President. — Mr Falconer, I am afraid that you are somewhat confused. The matters you spoke about are two entirely different matters which arose during this debate. One concerns the Croux reports, on which we have just had an exchange of views. During the debate on the Croux reports, Mrs Veil in particular stated that there was a problem concerning the interpretation of the Rules of Procedure. At that time I stated that it was possible to recognise a certain difficulty on which I was prepared to ask the Committee on the Rules of Procedure and Petitions, *for the future* how the existing texts should be interpreted but on which I was, for the moment, going to take a vote since it was neces-

¹ *Urgent procedure (Rule 57) — Deadline for tabling amendments — Speaking time: see Minutes.*

President

sary to arrive at a decision. The vote was taken and there was a majority for and a minority against. The House, therefore took a decision. You then went on to speak about a totally different matter which is the proposal from the European Democratic Group to delete the topical and urgent debate from the agenda.

So there is no problem of applying the Rules where this point is concerned. A vote was taken. The majority decided in this way.

Mr Falconer (S). — I am sorry, Mr President. I come from Fife in Scotland and I realize that the interpreters may have some problems understanding my accent. However, nowhere in my remarks did I make any reference to the European Democrats — nowhere!

What I did say was that Mr Hughes' urgency was placed in front of this House and that the Rules of Procedure were quoted to you by Mr Ford. I went on to say that I did not hear you consult your excellent staff beside you on whether Mr Ford's interpretation of the Rules of Procedure was the correct one. I used as an illustration the point that Mrs Veil made about a mockery being made of the Rules of Procedure. I went on to ask that, in line with your decision to refer a conflict in the Rules of Procedure, you would also refer your own actions to the Committee on the Rules of Procedure and Petitions in order to establish whether, by putting the vote on the urgency question to this House, you have actually transgressed the Rules of Procedure of Parliament.

My reason for that is quite simply stated. The Rules of Procedure were designed to protect minority groups. By putting the vote as you did today on the four urgency requests, you have transgressed the Rules of Procedure of this Assembly.

President. — Mr Falconer, you did in fact raise two questions. I believe that, in neither case, did I transgress the Rules. I believe that I applied the Rules correctly. However I did recognize that in the first case, as sometimes happens, there were difficulties in interpreting the Rules of Procedure. That is why I stated with regard to the first case, the matter raised by Mr Hughes, that I intended to submit the problem to the Committee on the Rules of Procedure and Petitions so that, for the future, it would tell us how the Rules in question, i.e. Rules 34, 56 and 57 should be interpreted. In the other case I do not believe that there was a problem of interpreting the Rules.

Mr Patterson (ED). — Mr President, I only want to draw your attention to the fact that Amendment No 1 to the von Wogau report and Paragraph 8 of the motion for a resolution are not in line with the vote taken in committee. It is not a very large matter, but I hope that the correction can be made and circulated in

time for us to take the necessary vote, because I think it is important that this report goes through.

President. — The matter will be dealt with tomorrow.

Mr C. Beazley (ED). — On a point of order, Mr President, I would like to take grave exception to all the points of order that Mr Falconer and his colleagues have made. I have sat patiently for an hour and ten minutes while the Chair and the rest of this House have been submitted to a quite calculated abuse of procedure, ending in Mr Falconer accusing you, Mr President, of abusing the Rules of Procedure. This is quite disgraceful, and I would hope that you would rule out of order not only my point of order, but all of those over there, because they are wasting time.

Mrs Veil (L). — (FR) Mr President, I apologise for speaking again on this matter of the Rules, but Mr Ford had the impression that our Rules did not allow of our dropping the urgency debate. This question was discussed in the enlarged Bureau only the other day, if you remember, and we referred to the Rules. Our conclusion was that, given the wording, it was not possible to drop Question Time, but that there was nothing in the Rules to prevent our scrapping the urgent debate.

In my opinion it is clear that allowance must always be made for urgent debate, even if it be only for five minutes.

I think that here too it would be better perhaps, if we are not to go on and on discussing this point, to refer the question to the Committee on the Rules of Procedure and Petitions. The matter was discussed the other day in the enlarged Bureau. Some people thought there was ambiguity. In my opinion there is not.

President. — I share your view that the difficulty is not really one of interpretation. However, if there is the slightest doubt it might be useful for the future to consult the Committee on the Rules of Procedure and Petitions on the second point as well. We must be very clear. I believe that the decisions taken today by the House were in accordance with the Rules. In any event they have been taken. They cannot therefore be called into question, but we can try to achieve greater clarity for the future.

3. *Draft general budget 1986*

President. — The next item is the joint debate on:

— the report (Doc. A 2-140/85) by Mr Christodoulou, on behalf of the Committee on Budgets, on the draft general budget of the European Com-

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munities for the financial year 1986 — Section III — Commission (Doc. C 2-100/85)

- the report (Doc. A 2-147/85) by Mr Louwes, on behalf of the Committee on Budgets, on the draft general budget for 1986 — Section I — Parliament
- the report (Doc. A 2-148/85) by Mr Louwes, on behalf of the Committee on Budgets, on the draft general budget for 1986 — Section II, 'Council' Annex Economic and Social Committee

Section IV Court of Justice

Section V Court of Auditors

Mr Christodoulou (PPE), *general rapporteur* — (GR) Mr President, it was reasonable to expect that the budget for 1986 would be regarded as a budget for enlargement. Indeed, all the prerequisites for this were present. The accession of Spain and Portugal to the European Community, and their prospective active participation, heralded a more balanced functioning of the Community's bodies. Besides, within the framework of the budget the inflexibilities of the past years had been eliminated, even if temporarily. The raising of the VAT ceiling from 1% to 1.4% was a new point of reference allowing the Community to operate within a broader range of activities and policies, at least for the coming few years.

There was also a deliberate and systematic approach towards more rational utilisation of the financial resources available to the Community. This derived from a reassessment of the CAP and a more general review of the Community's priorities relative to new policies intended to serve Europe's aims and objectives for the coming decade.

Thus, with the Fontainebleau agreement, the accession of Spain and Portugal, and with the so-called expansion of resources, combined with the debates on reforming the CAP, the Commission would be presented in the 1986 budget with an instrument not just good for one financial year, but with a fundamental budget. Let us say, a budgetary landmark.

Under such conditions Parliament's contribution to the formulation of such a budget should inevitably be substantial. Not only because it would be fulfilling its responsibilities in relation to the budgetary procedure, but because Parliament's long experience in promoting new policies makes it perhaps the body most capable of putting together a budget of such complex structure.

Consequently, and in view of the above, the European Parliament's position at the 1986 budget's first reading is plain and clear within its role as one of the two arms of the budgetary authority.

The European Parliament, then, could not accept that a budget could be drawn up, even at first reading, without taking full account of expenditure related to the two new Member States, and without covering the minimum possible demands for the settlement of outstanding commitments.

Both these phenomena were basically created by the Council, and could even be regarded by many as contraventions of the Treaty of Rome, which lays down the principal ingredients of the common budget as well as the relevant procedure. It would be all too easy for the European Parliament to tread the same irresponsible path and let Council get on with the task of solving its own complicated problems.

However, the European Parliament's Committee on Budgets considered that such a course would not be compatible with the principles of the first elected body to represent Europe's citizens. Consequently, it had to try to emerge from the impasse it had arrived at and face both the challenge of the future and the commitments of the past.

The challenge of the future: That means payments and commitments appropriations sufficient to cover at least the minimum possible needs deriving from the Council's agreements with the Community's two new Member States — agreements which nobody questioned when they were entered into.

The commitments of the past: In other words, sums sufficient to cover, even in the least possible degree, the Community's commitments undertaken in recent years to ensure the continued operation of the structural funds, even in a rudimentary way.

These two factors form the basis of the philosophy that inspires the proposals of the Committee on Budgets to Parliament at the first reading. Based on the Commission's calculations on future and past commitments, we arrive at a sum of about 1400 million ECU for commitment appropriations, and about 1600 million ECU for payment appropriations and other commitments deriving from enlargement. As we know, these sums include 450 million ECU for enlargement commitments, 515 million ECU which would normally be included in the current budget but which were not included because of under-budgeting due to lack of available resources, and 675 million ECU representing only a part-payment of commitments undertaken prior to 1985.

These items have nothing to do with the normal budgetary developments as dealt with by Article 203, where it is laid down that the highest proportion by which expenditure can be increased is to be determined by the Commission in accordance with certain — in any case technical — parameters, for example the increase of the gross national product, inflation, etc.

We are reminded that the margin for this year has not been calculated for the non-compulsory expenditure

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relating to the twelve States, nor can the accumulated commitments devolving from a system of undifferentiated approvals of items combined with severe financial inadequacy in some years, be considered covered by factors generally recognized not to be endogenous to the budget itself.

For this reason, the Committee on Budgets also elected to incorporate these additional expenditures in an amendment, and considers that they go beyond the ceiling since they are quite unrelated to the current and regular annual increases of the ceiling specified in Article 203. As for the limited sums derived from Parliament's margin of flexibility, specifically 217.7 million ECU in payment appropriations, Parliament's Committee on Budgets proposes that these should be used to cater for needs in the case of policies which received inadequate support from the Council, if any at all. Beginning, then, with the priorities it has adopted for years, Parliament granted about one-third of what it could for expenditure on development aid and cooperation, and the remainder for common and regional activities apart from the structural funds, and also for transport. Since the Council fortunately complied, in many respects, with the Commission's proposals for payment appropriations in the sector of energy and research, the Committee on Budgets gave due weight to that sector in increasing the commitment appropriations, so as to emphasize and ensure the smooth development of grants to these self-evidently import sectors — sectors for whose promotion there is generally agreement on all sides. Besides, this is why the overall sum of the commitment appropriations amounts to almost 400 million ECU, which is relatively high.

I would like to comment that the proposed amendments discussed by the Committee on Budgets were formulated on the basis of the criterion of whether or not there existed an appropriate legal basis, and also on the basis of how sums made available in the past had been used, as defined by the *Notenboom* procedure, so that at least for the limited resources which Parliament can supply, utilization during 1986 will not lag behind availability. In other words, we considered that the flow of resources made available for new policies should be reduced, so that priorities will be better defined in the future. We think that if this procedure is to be improved until the sums made available by Parliament are finally used to the full, if possible to the extent of 100%, there will have to be an ongoing *Notenboom* procedure, as it were, instead of the fixed one applied today. In parallel, there should be some self-restraint in proposals for new policies that do not serve common Europe-wide problems, and in proposals that burden the budget with commitments whose returns are doubtful.

On the subject of compulsory expenditure I would like to draw your attention to two points which are being introduced. The Committee on Budgets proposes to reinstate a contingency fund to cover probable errors

in the calculation of payments in respect of the CAP that will arise after enlargement. At the same time, however, considering that a review of the CAP entails first of all the convergence of the economies and a tendency towards balancing our inequalities of income, in the sector of commitment expenditure the committee has introduced, as a token entry, an item which will in future allow income support in poor agricultural regions where, despite all the support for prices, the farmers' incomes have remained unchanged year after year.

Finally, I would like to stress something that is characteristic, and means that from the standpoint of mobilizing the Community's own resources, the proportion of VAT needed to cover our needs, as defined by the amendments proposed by the Committee on Budgets, relative to the proportion mobilized to cover the expenditure in 1985, shows very little difference. In other words we have a ratio of 1.28 instead of 1.30 and this figure is a further indication of Parliament's realistic and responsible way of dealing with the situation in the face of the facts. Mr President, I reserve the right to intervene in the debate to follow, to answer any questions that may be put.

(Applause)

IN THE CHAIR: MR SEEFELD

Vice-President

Mr Louwes (L), rapporteur — (NL) Mr President, since the adoption on 12 June this year of the draft estimates of Parliament's revenue and expenditure for 1986 a number of changes with financial implications have arisen. I only want to outline these briefly, since a full explanation can be found in the explanatory statement to the motion for a resolution.

Two increases in expenditure are attributable to external factors, namely old-age pensions for Members, item 1030, and invalidity pensions for Members, item 1031. The relevant amounts of 150,000 ECU and 36,000 ECU are covered by the appropriations allocated under Chapter 10.

The Bureau therefore decided on 30 September this year in favour of an increase in secretarial allowances to Members in respect of pension contributions for personal assistants. This falls under Article 106, and the increase of 434,000 ECU is covered by the Bureau's decision allocating 1,000 ECU per Member in respect of pension contributions for personal assistants who have been in service for longer than one year. These amounts can be met within the proposed budget provided that no elections to Parliament are held in Spain and Portugal in 1986. In that event there

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would in all probability be changes in Member's appropriations, and that would, as you know, mean an increase in costs. The financing of these 434,000 ECU could then be compromised.

As regards item 1256, termination of service of officials in relation to the enlargement of the Community, I would also point out that this arrangement was fixed by the Council after 12 July this year exactly as it is fixed now. The amount of 666,500 ECU is based on estimates and projections of the numbers of officials taking advantage of this provision, its timing and the timing of their replacement by their Spanish and Portuguese successors. It thus depends rather heavily on estimates. But the Committee on Budgets has decided to take the same line as the other institutions, that is compensation within the same budgetary chapter. This will of course mean opening a new budget item. That is the reason for the amendment tabled in my name and taken up by the Committee on Budgets.

But, Mr President, the Committee on Budgets then decided to anticipate possible uncertainties associated with the last named items, ie 106 and 1256, by increasing the reserve for unforeseen circumstances, Chapter 101, by 300,000 ECU. This brought the total to 2.3 million ECU. An amendment to this effect was adopted by the Committee on Budgets, and its text has already been distributed. Subsequently the Committee on Budgets decided to adopt an amendment by practically all the political group chairmen calling for an increase of 3.5 million ECU for item 3708, financing of information campaigns for the first direct elections to this House in the new Member States, Spain and Portugal. Also in the context of enlargement, the Committee on Budgets agreed, in accordance with an amendment on behalf of the Group of the European People's Party, that the item providing for visiting parties from Spain and Portugal should be increased by 1 million ECU. Finally, the Committee on Budgets took up an amendment, also from the Group of the European People's Party, calling for 150,000 ECU to be made available to the political groups to finance a scheme for the termination of service of their temporary staff — and they are, as you know, all temporary — on exactly the same terms as for the established officials of all the institutions. If this House adopts that amendment, it will mean that Parliament will be going a step further than the other institutions, where the Council still has not fixed any arrangements for temporary staff. This will also mean departing from established policy of covering the cost of the termination scheme within that of the salaried post.

All in all this will mean an increase compared with the June draft budget of nearly 5 million ECU, to a new total of some 306 million ECU. In percentage terms this gives Parliament an absolute lead over all the other institutions, with a rate of increase of very nearly 29%. The corresponding figures for the other institutions vary from 12% to 23.5%. These can be found in the table in Annex I of the report. In my opinion this

high rate of increase is completely justified in as much as we are a purely political institution, and will be readily understood in those terms. In the first place, we have not been allowed — though the Council certainly has done so itself — to anticipate enlargement in our staff training provisions, and secondly, the special circumstances of this House create their own special commitments. An increase in the number of Members by some 20%, direct elections in the new Member States and the influx of visitors from those States, which when seen from the perspective of Strasbourg perhaps appear peripheral to the Community.

Mr President, I have been particularly concerned to make these points even if I may have laid myself open to the charge of *qui s'excuse s'accuse*. To conclude with the amendments, I should like to say a final word on the proposal by Mr Pannella and other non-attached Members, which was rejected by the Committee on Budgets, calling for their group secretariat staff to be given the same status as those of all the other political groups. This request is entirely understandable, but the Committee on Budgets felt that a question of this sort should be dealt with by the Bureau, which is after all responsible for staffing matters.

Finally, Mr President, on the Budget of Parliament, a word of thanks to the Secretary-General and his staff for the prompt manner in which they replied to the many questions in the resolution of 12 June 1985. Parliament asked a lot of questions on that occasion, and on many of them very highly informative answers have been received. I propose that these reports should now be accepted for notification and should be considered further in the preparatory stage leading up to the 1987 budget. But a word of thanks to the administration is certainly in order now, Mr President.

Finally one word on the other institutions, the Court of Justice, the Court of Auditors and the Economic and Social Committee. Here there are scarcely any problems, and I wish simply to refer to the resolution and explanatory statement. In particular I want to draw attention to paragraph 1 of the explanatory statement, which by way of exception for this Parliament, for once actually contains words of praise for the Council. All I have to say to that is that we must not be afraid to give credit where credit is due.

As regards the amendments, the Committee on Budgets has only taken up the purely technical ones that have no financial implications. In addition it has taken up the amendment by the Legal Affairs Committee calling for the setting up of a chamber of first instance for staff cases, etc, a longstanding wish of the Court of Justice. I therefore especially recommend the adoption of paragraph 3 of the resolution.

For the present, therefore, I should like to leave it at that, Mr President, but not before saying thank you to Mr De Vries for the considerable effort he put in on

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my behalf in the early part of this year when I was out of action.

Mr Eyraud (S), *Draftsman of the opinion for the Committee on Agriculture on the CAP — (FR)* Mr President, ladies and gentlemen, the Committee on Agriculture finds unacceptable, for various reasons, the draft budget of the EAGGF for 1986 as adopted by the Council at first reading, since it has been cut back more than 3 000 million ECU in relation to the Commission's preliminary draft, or in other words 10% of the appropriations for agriculture. And that preliminary draft was already, in our opinion, quite insufficient.

This is a budget in retreat at a time when a large number of farms, especially the most disadvantaged, are undergoing increasing difficulties. Worse still, it is a budget that holds no promise for the future at a time when the Community is being enlarged and proposals are being made to reform the CAP. And it is a budget which, in its concern for rigour, is squeezing expenditure and doing nothing to improve revenue. Of course, in the present climate, we understand this concern for stringency which governed the Commission's decision regarding the Guarantee Section of the EAGGF.

The Council has taken the figure of 21 012 million ECU which corresponds to the ceiling fixed by the Finance Ministers on 8 July to establish a frame of reference for spending on the agricultural market. I note that this stringency applies only to the Common Agricultural Policy and this the Committee on Agriculture finds difficult to accept.

Yes, it is a budget in retreat against the background of inflation: a 5.3% increase in the EAGGF (Guarantee Section), too much below the increase in own resources, is indeed a retreat. Support expenditure is especially necessary to maintain it inasmuch as some products are subject to restriction through the policy of thresholds or quotas. At the risk of repeating myself, I would add that in my view there is total incompatibility between a policy to bring down prices and a policy to limit production volume.

Let us also take care not to set guarantee spending against structural spending. If the former is neglected, the latter will soon be without basis for want, quite simply, of any agriculture to structure.

As far as methods are concerned, while it is important to control spending within the framework of a coherent overhaul of the CAP the budgetary discipline that helped to shape this budget is the result of unilateral conclusions by the Council and, at the very least, the other institutions, and particularly our Parliament, which has a share in budgetary power, ought to have been consulted on this notion of discipline and on its specific use in the EAGGF. In any case, the Council has confused discipline with retreat.

I would add that restricting the agricultural budget will inevitably lead to a renationalization of the CAP contrary to the provisions of the Treaty of Rome and the interests of producers.

No, it is not a budget for the future. The severe cuts made by the Council in the Commission draft for the EAGGF (Guidance Section) will not reduce inequalities, improve farm competitiveness or encourage production of under-produced crops at a time when the budget is burdened with stocks for which there is no market.

Reform of the CAP on the basis of the Green Paper is all the less likely to bring improvement since this budget takes no account of its financial implications. This being so, and most particularly if certain proposals are implemented in the course of the 1986 financial year, notably on the occasion of the price-fixing for the 1986/87 marketing year, one can only deplore the absence of estimates for the budgetary implications of the Green Paper. Furthermore, this draft budget does not make allowance for various uncertainties, climatic or otherwise. For instance, no allocation is made in the context of a price-fixing for the 1986/87 farming year, any more than to indemnify against monetary and economic developments, any more than are taken into account the consequences of the various disasters that hit the Greek, Italian, Irish and French farmers this summer. They have been given Community support only after a long battle by the governments and by our Parliament. It would be a good idea, for the future to set up an adequate budgetary line, not necessarily massively funded but such that specific and speedy action might be taken to cope with the situations created by these disasters.

I also stress the need to fully restore appropriations for agricultural research. What price now Enlargement and the *weight of the past*? Since the Guarantee and Guidance Sections are closely linked, one can only underline how heavily the shortcomings to which I have just referred will weigh on the future. Spain and Portugal find it hard to understand why they are included in the budget at the level of revenue but very little at the level of appropriations, why there are delays in liquidating a charge for which they have absolutely no responsibility — the *weight of the past* — why they are net contributors when they have been promised neutrality. We should not take it amiss if these two Member States sooner or later begin to demand a 'fair return'.

Before concluding, I must point out the losses in revenue that arise from failure to respect the three fundamental principles of the CAP. Community preference, financial solidarity, unified markets. This deprives the budget of substantial resources estimated at around 2 000 million ECU by the Commission.

As to the coresponsibility levy, it has been directed from its original purpose to maintain equilibrium on

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the markets and to look for new outlets. It could and should have contributed to the establishment of an effective agency for the exportation of our products.

The Committee on Agriculture has worked in its amendments for the restoration of an agricultural budget worthy of the first, if not the only, truly integrated Community policy of which the Community can justly be proud.

I trust that when these amendments are voted upon, we will all bear in mind this fundamental observation, for despite its imperfections the Common Agricultural Policy has demonstrated European solidarity. We must continue along the path mapped out by the founding fathers.

4. Welcome

President. — Ladies and gentlemen, on your behalf I should like to welcome a delegation from the Committee on Labour and Social Affairs of the Bundestag which has taken its seats in the Official Gallery.

(Applause)

Ladies and gentlemen from the Bundestag, I welcome you most warmly and I am pleased that you will be spending some time with us this morning. Visits of this kind are particularly important and, I hope, help us all to overcome the problems we face. I hope that your contacts during the course of your visit, particularly with our own Committee on Social Affairs and Employment, will prove valuable.

5. Draft general budget 1986 (continuation)

Mr Klinkenborg (S), Draftsman of the opinion of the Committee on Agriculture on the Common Fisheries Policy — (DE) Mr President, may I begin by saying that neither in the Committee on Agriculture, Fisheries and Food is it exactly a pleasure to turn one's attention to the draft budget of the Council. It is impossible to avoid the impression that in its inability to reach intelligent, indicative decisions the Council has forgotten that there are such things as emergencies, indeed pressing emergencies, that it has itself created by its own behaviour. Looking at this draft budget, one has the impression that as far as the Council is concerned, a fisheries policy has simply stopped operating and has practically ceased to exist. And not only that: one cannot avoid concluding that where the Council is concerned, if there are any vestiges of a fisheries policy remaining at all, then at best they apply to the Community of Ten and not to a Community of Twelve, although 1986 will soon be upon us and we are discussing the budget for that year.

One has the impression that no account whatsoever has been taken of enlargement, and — what is much worse — that what has been enshrined in the treaties no longer applies as far as the Council is concerned. We deplore this development exceedingly, because enlargement of the European Community from ten to twelve Member States will, in the opinion of the Committee on Agriculture, Fisheries and Food have a major impact on fisheries, and the need to reflect this in the budget should be a sufficient reason for the Council to develop new ideas and start looking to the future.

Portugal and Spain will be two major partners for us in terms of fisheries policy. I do not need to enlarge on this further, for all the reports that the European Parliament has submitted in the interim make it abundantly clear how important their fisheries industries are to Spain and Portugal. We are therefore unhappy with the draft budget. Indeed, we cannot possibly be happy with it, because the budget contains neither appropriations for structural improvement nor appropriations for structural changes. On this point too therefore, and not just in relation to compulsory expenditure, the attitude has been that none of this really matters.

We take the view that the fisheries policy that will emerge in the next few years should be taken particularly seriously by the European Parliament, and, more fundamentally, by the Commission also. The Committee on Agriculture, Fisheries and Food has therefore instructed me to pay particular attention to staffing policy in the area of fisheries. We do not agree with what we know of supervisory methods in fisheries policy. Nor are we satisfied with the staffing complements provided for supervisory functions. The main point I wish to make thus clearly relates to the area of staffing. We are calling for a strengthening of the European Community's supervisory mechanisms and of supervisory staff so as to ensure that the kinds of fraudulent manipulations that we have in other areas simply do not get off the ground in fisheries.

You will all be aware of this from the numerous reports of the Committee on Budgetary Control. I do not wish to go into this in detail here. But the supervisory function is clearly an important one, and we do not want to wait until there has been an incident before making supervisory provisions. Preventive measures should be taken in advance.

The request for increased staff numbers has, unfortunately, still not been passed by the Committee on Budgets. But we are confident that it will secure a broad majority in the Committee on Budgets this evening. Should this prove not to be the case — and I want to make this point now at this stage — we shall make every effort to have the request for improved staffing levels adopted at the general vote in Parliament.

I said at the beginning that we were not satisfied with what has been submitted, nor do we expect to be at a

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later stage. But I should like to add that the Committee on Budgets has done its best for fisheries within the limits of its powers, so that although we are at odds with the Council, we must give the Committee on Budgets credit for its efforts to treat both fisheries and the Committee on Agriculture, Fisheries and Food fairly. I should like, therefore, on behalf of the Committee on Agriculture, Fisheries and Food, to say with all possible clarity that we emphatically agree with the compromise found by the Committee on Budgets, because this will provide us with a way out of the bad climate of relations between the Council and Parliament. The Council only needs to give its approval to our proposals, which are now on the table, to open the way to securing a reasonable fisheries policy, and it will be absolutely essential to have just such a policy in the context of the Community of Twelve. Parliament and the Committee on Budgets will be aware of their commitments. I hope the Council will learn the necessary lessons and draw appropriate conclusions.

Miss Quin (S), *Draftsman of an opinion of the Committee on Economic and Monetary Affairs and Industrial Policy*. — Mr President, the section of the budget which falls specifically within the remit of the Committee on Economic and Monetary Affairs and Industrial Policy is extremely small. We are therefore talking of a very small bite of a small piece of an inadequate cake. In particular, industrial policy and financial help to relaunch industry have a very low profile indeed in this Community budget. The Economic Committee deplores this situation, as the conclusions to my opinion, which were adopted unanimously by the committee, make clear.

The amendments tabled by my committee fall into four categories reflecting the committee's four main priorities, and I would like briefly to comment on each of these in turn.

The first group of amendments concerns industrial policy. We have again this year repeated the request which Parliament has made for the past few years in calling for a budgetary item, Article 772, which would facilitate the creation of a European Industrial Area with finance available for industrial innovation and job-creation measures. We are concerned that the Commission should produce specific programmes to translate this budgetary item into action and so show greater willingness to tackle the problems of unemployment and industrial decline. Also in the industrial field we have an amendment which supports a number of programmes aimed at helping local job-creation initiatives. Further, we want an increase in Item 7731, entitled 'Industrial redevelopment', which supports valuable innovation centres in some of our industrial regions which have been the hardest hit.

We have asked for more money for research and development in raw materials, and we have also supported a reinstatement of the Commission's proposals

on the prospecting programme for non-energy mineral resources. We have also supported monies for studies on the future of our key industrial sectors — steel, shipbuilding, textiles, aerospace, chemicals and certain others. We are not happy that the Committee on Budgets did not accept our increase for these studies and hope that this decision will be reversed by the House.

Our second group of amendments relates to the new technologies, where in many cases, in common with the Energy Committee, we have sought to restore cuts proposed by the Council in such fields as the RACE programmes and information technology, which are vital both for its general support to the economy and its job-creation potential.

The third group of our amendments concerns the internal market, completion of which is clearly favoured by the majority of the Committee on Economic and Monetary Affairs and Industrial Policy. Most of these amendments seem likely to be accepted, but there is concern about the item on the standardization of information technologies, which the Committee on Budgets did not accept and where the Commission feels that the Council's cuts will severely jeopardize the programme.

Another amendment which the Economic Committee put forward and which I hope will get the support of the House concerns studies to examine the regional and social effects of measures to complete the internal market. There is deep disquiet, particularly in declining and peripheral industrial regions, that unless strong compensatory measures are taken, the strengthening of the internal market will only work to the benefit of the central and more prosperous regions. This must not be allowed to happen.

The fourth group of our amendments relates to EEC help for small businesses. We are constantly being told of the importance of small businesses for our future economy, but the Economic Committee feels that more help should be available both to facilitate contacts between small businesses at European level and to enable them to have good support services when they are attempting to get established.

These are the four areas of concern to our committee, Mr President, but let me end where I began. The Committee on Economic and Monetary Affairs and Industrial Policy reaffirms its regret at the continued imbalance in the Community budget resulting in grossly insufficient funds both for our old and new industries. We want to see investment in our industrial future, and we want to see an end to the situation where industrial policy is treated as the Cinderella of this Community.

Mr Mallet (PPE), *Draftsman of the opinion for the Committee on Energy, Research and Technology*. —

Mallet

(FR) Mr President, ladies and gentlemen, we had a major debate here, from 7 to 10 October last, in which the European Parliament solemnly proclaimed the importance it attaches to developing the policy to research and promote the new technologies, to developing a European technological community equipped with the necessary financial resources. This, then, was recognized as a priority objective by our Parliament.

This objective was also recognized as a top priority by the Commission, and the European Council itself, at its meeting of 29 and 30 March last, undertook to increase Community resources for research and development. Indeed political priorities are nothing if they are not translated into budgetary reality. This is particularly important to us since the notion of democratic control is also a serious concern.

Having made this brief statement of principle, I should now like to outline the budgetary realities of the 1986 budget so far as our committee is concerned, the basic thinking behind the amendments we have tabled, and the relations, from a budgetary point of view, between the Community and the Eureka project.

First, we note that the draft budget in no way reflects the good intentions declared by the Council since the increase is in the order of 10% for the payment appropriations but the share for research and technology in the budget remains less than 3%, which is derisory. It is therefore, in our view, a transitional budget. In making this point we wish to issue to the budgetary authorities, on the executive side, a solemn warning. We cannot go on at this pace next year. We will have to move into a higher gear if we are to achieve the objective laid down by the Commission, which we approved, of raising to 6%, within two years, the share in the budget allocated to research and technology. It would also be advisable to move towards a restructuring of the research and technology budget by making a clearer separation between the research and technology sectors from 1987. This is an area of major importance for the competitiveness of the European economy, for growth and for employment.

Second, this is a small budget. This being so, the cuts made in the Commission's preliminary draft by the Council are especially serious. This is why we attach great importance to the amendments voted by our committee, unanimously with two abstentions, which seek to restore the cuts made, most often in an arbitrary manner by the Council, and to focus on certain fields to which we attach special importance.

I do not now have the time to go into details. Regarding energy policy, we need to ensure the continuity of programmes aimed at developing Europe's independence from external energy sources, the rational use of energy and the development of alternative energies. We propose, of course, the continuation and development of research programmes, the consolidation and enlargement of projects to promote the new technolo-

gies. In this connection, we attach special importance to the development of the Esprit programme — whether it relate, for example, to the standardization applied to the information technologies or to the application of those new information technologies to education — these are two amendments which, unfortunately, were not accepted by the Committee on Budgets. We also propose the launching of certain new lines of research and here I should like to emphasize the need to establish — or rather to carry out the necessary preliminary studies — a high-technology Information Centre as proposed, in his report, by our committee chairman, Mr Poniowski, which seems to us of great importance.

Furthermore, we appreciate the interest taken by the Committee on Budgets in our concerns, with a few minor exceptions. We hope that Parliament will follow its Committee on Budgets and we hope that certain amendments of our Energy Committee can be adopted.

To conclude, a word about the Eureka project. We think it would be a serious matter if the European Community were to remain outside projects of this kind of interest to the Community. We have therefore tabled an amendment but there is controversy on this: should we put forward a figure or content ourselves with a mere token entry? We feel, for our part, that it would be wiser to settle for a token entry since, as things stand at the moment, it is impossible to establish a figure. As we see it, the important thing is to mark the Community's political will to participate in the development of this project of importance to the Community.

Dame Shelagh Roberts (ED), *President of the Committee on External Economic Relations*. — Mr President, traditionally the demands made on Community resources by my committee have been modest. That is the position again this year. I am pleased to be able to acknowledge that the Committee on Budgets has given a favourable response to all but two of our amendments. I regret that they rejected our Amendment No 111, on Item 2001, dealing with Commission representation in Peking, Hong Kong and Seoul, but of infinitely greater concern to our committee is the decision of the Committee on Budgets to halve our Amendment No 110, on Item 7760, dealing with the promotion of Community exports to Japan.

The increase in appropriations proposed by our committee would have been: in commitments, 2 million ECU; in payments 1.6 million ECU. The Committee on Budgets has reduced these figures by half, on the basis, I understand, of the argument that in the current year expenditure on this budgetary line has been slow.

I must stress that the view of my committee is that this amendment is of crucial importance to the Community's overall trade strategy. I do not need to tell

Shelagh Roberts

Parliament that penetration of Japanese exports into the Community has been immense. I do not need to tell Parliament that penetration of Japanese exports into former Community external markets has been immense. I do not need to tell Parliament that penetration of Community exports into Japan has been almost negligible. The need for a better balance in Community-Japan trade must surely be recognized by everyone. Certainly, I would like to pay tribute to the work the Commission is doing in this respect. President Delors and Commissioner De Clercq have been most vigorous in tackling this problem, but the means of solving it are still eluding us. It may very well be that a more effective method than that of quotas and self-restraint agreements, which are in themselves contrary to the principles of free trade, would be to send European executives to Japan in order to learn the language and the business practices — in short, to master the Japanese culture. I think we are all coming to the view that the difficulties of the Japanese market are cultural rather than economic. It is for this reason that my committee is anxious to increase the resources available for the promotion of exports to Japan.

I would like to stress that although payments are slow, the Commission believes that for 1985, 97% of the commitments will be used up and 70% of the payments. So, I believe it would be a retrograde step to halve the sums named in my committee's amendment. I hope that Parliament will support our amendments and reinstate our position.

I would like just to serve notice about trade policy in general. I said at the outset that traditionally our committee's demands have been modest. We believe it is time that they ceased to be modest. Trade policy clearly falls within the Community's competence, but up to now the Commission has acted almost exclusively as a coordinator of the Member States' trade policies. We believe that there should be a more vigorous and a more aggressive policy on the part of the Commission.

Miss Quin, speaking on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, referred to industrial policy as the Cinderella of Community policy. I would just point out to Miss Quin that Cinderella did eventually get her Prince Charming! What our committee is determined to see is that the promotion of exports from the Community, which generates wealth to help the whole of the Community and all our spending activities, does not become the ugly sister, who in the end did not do so well. What our committee wants is that the promotion of trade to generate wealth, which will benefit the whole of the Community, should become Cinderella's twin sister. I hope that Parliament will support us in these endeavours.

Mrs Giannakou-Koutsikou (PPE), *Draftsman of an opinion of the Committee on Social Affairs and Employ-*

ment. — (GR) Mr President, ladies and gentlemen, as representative and draftsman of the opinion of the Committee on Social Affairs, I would first like to stress that despite the solemn declarations by the Commission, Parliament and the Council concerning the vital importance of the Social Fund in the fight against unemployment, it is evident that we are further away than ever from achieving Parliament's declared target, of increasing the resources to 10% of the Community Budget. Quite certainly, unless something is done to turn the tide, in relation to both commitment appropriations and — in particular — payment appropriations, I fear that the structural funds are at risk of becoming the main victims of the budget for 1986 and subsequent years. In the introduction to the preliminary draft budget, the Commission stated that since 1978 the volume of commitment appropriations has increased much more rapidly than the corresponding volume of payment appropriations. This means that since the related activities occupy a certain amount of time, the payments required to honour these commitments are continually becoming greater. The Commission then stressed that approximately 10 300 million ECU of commitments have accumulated, about 8 200 million involving the three structural funds. Consequently, we should not be surprised by the fact that the 'payments crisis' is at the centre of the concern felt by the Committee on Social Affairs and Employment.

More particularly concerning the European Social Fund, honouring the commitments presupposes the provision of adequate resources, first, for the automatic payment in accordance with the new rules governing the European Social Fund, of 50% in advances for the new programmes envisaged under lines 6 000, 6 001, 6 010 and 6 011, and 30% for those under Article 610, and secondly, for final payments relating to prior commitments, in other words, in the present instance, the commitments entered into in 1985 and 1984 under the 'new' fund, and even those entered into under the 'old' fund before 1984. If there are not sufficient payments, then quite simply the inevitable 'day of reckoning' is being put off because we cannot indefinitely postpone the settlement of outstanding and continually increasing debts. Moreover, we should be fully aware of the consequences, to the cost of project operators, of continually postponing final payments to the point where the Community's very credibility is called into question.

The Committee on Social Affairs has from the beginning taken a sympathetic view of the Commission's proposal to deal with past commitments and so create more favourable conditions for the future of the structural funds.

Based on the fact that commitments must be met, that new policies should materialize, and that from 1 January 1986 the Community will have two additional Members, the Committee on Social Affairs has drafted the following opinion:

Giannakou-Koutsikou

Firstly, it accepts Council's proposal relating to commitments to the Ten, even though in that connection the Committee did not consider Council's proposal to be entirely satisfactory. Based on the rules, advances amount to 1 070 million ECU, when the sum total of payment is 1 447 000 ECU. In other words, there is essentially a balance of 377 000 ECU available to honour commitments amounting to 1 202 000. In essence, Council's proposal makes a mockery of this really tragic situation of the Social Fund, at a time of continually increasing unemployment.

The Committee on Social Affairs is gravely concerned, mainly because Council continues to follow a tactic which goes against the Community's fundamental policies. By virtue of the amendments it proposes, particularly that relating to sections 60 and 61, it is made clear that its basic aims are to abide by the three parameters that characterise the intentions of the budget for 1986.

Firstly, the honouring of commitments entered into, which has now become a moral issue.

Secondly, the creation of new policies which will not suffer the fate of those outlined prior to 1985, which remain unfulfilled in many respects because of the payments crisis.

Thirdly, the honouring of commitments entered into with Spain and Portugal, commitments for which Council must assume full responsibility.

The overall proposed amendment clearly defines payments as the sum total of advances plus the entire burden from the past. Besides, as for sections 63 and 64, our Committee expresses its satisfaction that the Committee on Budgets accepted all its admittedly realistic amendments.

As an entity the Social Fund in fact reflects the intensity with which unemployment is affecting our societies, just at a time when technology is making an impact on more and more areas of our lives. Our Committee's demand that past commitments should be honoured expresses no more than a necessary and sufficient condition for the creation of healthier financial circumstances in the future.

(Applause from the centre)

Mr Griffiths (S), Draftsman of an opinion of the Committee on Regional Policy and Regional Planning. — Mr President, this year perhaps more than in any other year the Council has really plunged the budget procedure into extreme difficulties. We might even say that their cuts have been so deep that they have acted illegally. We find ourselves in a situation where despite a VAT increase to 1,4% we are still looking in 1986 at the possibility of our hitting the ceiling because it is so difficult to predict what might happen to agricultural

spending. The result has been some massive cuts in the non-agricultural parts of the budget like, for example, the Regional Fund. This has forced the Committee on Budgets and Parliament generally into a procedure which has never been adopted before but which I think is quite tenable and within the spirit of the treaties. That is to say, we must take account of the cost of enlargement, commitments made to Spain and Portugal and of the fact that in previous years commitments have been made in the Regional Fund and that a time does come for those commitments to be honoured.

At the same time we have to admit that the exact rate of payments cannot be judged to the last degree of accuracy. However, we have to bear in mind that we have two new Member States coming into the Community in 1986. We have to bear in mind that we have a new regulation for the Regional Fund which allows for the speeding up of payments and therefore there is no doubt that in 1986 there will be a large number of requests for payments. One or two countries to whom payments are due have a long-standing problem in this respect. However, there are also one or two countries, like the United Kingdom, who at this particular moment have a large amount outstanding on which, undoubtedly, in 1986, they will want to call quite heavily.

We would therefore say to the Council that they must take a much more responsible attitude before the second reading of the budget. They must agree that there will be a need for a new maximum rate. After all, this maximum rate of 7.1 was really based on a Community of Ten. No real account was taken of the accession of Spain and Portugal and in the treaties there is clear provision under Article 203(9) for the respective arms of the budgetary authority to come to an agreement about increasing the maximum rate. The two new countries — Spain and Portugal — are economically far less well developed than the rest of the Community. Spain has four regions which are marked 60 on the synthetic index used in preparing the second periodic report on the regions, and although we can criticise some aspects of that index, nevertheless it shows us, with 100 as the average, just how far down the Spanish are. And the whole of Portugal has an average of 68.2 on the index. So the needs of those two countries are very great indeed.

Therefore, the Council has been irresponsible in seeking to reduce payments in the budget by nearly a thousand million ECU and also just as irresponsible in seeking to reduce the commitments by over 700 million ECU. In the Regional Committee we would like to have reintroduced in full the payments that the Commission was requesting and to have added some more on the commitments side of the budget. We recognize that both in the Regional Fund and in the Integrated Mediterranean Programmes there is going to be a need for more resources if we are going to get any effective help for the regions of the Community. So, whilst we would have liked this extra money, we

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accept that the Committee on Budgets was in an extremely difficult position and hence in the Regional Committee we are prepared to accept the compromise which would leave us some 200 million ECU short of what we would like to have seen in the budget, although we do have some slight compensation inasmuch as we will get a little more on the commitments side than we at first thought.

The other area where the committee was particularly concerned about the future is that of the Integrated Mediterranean Programmes where we wanted rather more money than the Commission had put in and certainly far more than the Council was prepared to give us. And we have sustained that position in the Committee on Budgets. We would appeal to the Council to realize that if the Integrated Mediterranean Programmes are to be effective, then they must have sufficient resources. The same goes for the general operation of the Regional Fund. There must be sufficient staff to make sure that the projects and programmes put forward by the Member States are most effectively supported by the very meagre resources at the disposal of the Regional Commission.

Finally, as far as the committee is concerned, we place particular emphasis on the need to open a special line to deal with the prospective opening up of the internal market. Parliament in the Patterson report recognized that special measures would have to be taken to help the regions and to avoid what undoubtedly will be the deleterious effects of opening up the internal market. So we want to see a separate line on which in future years funds will be provided to give extra help to the regions to overcome the problems they will undoubtedly encounter when the internal market is opened up.

Now, in my role as spokesman for the Socialist Group, I want to say that my group will be supporting all of the amendments to the budget from the Committee on Budgets but in addition we will be supporting the amendment on the internal market which was marginally rejected in the committee. We hope that the House will give its general support to that particular line.

In conclusion, we believe in the seriousness of the problems of the regions of the Community. While inflation and unemployment are running in most of the countries which benefit most from the fund at substantially higher levels than the Community average, the regions themselves are suffering far more than the countries which benefit most from the fund. The Community average for unemployment is just over 10%. But in the United Kingdom, for example, it is over 12% and in regions of the United Kingdom — South Wales for example — you find that in the constituency of Bridgend in the travel-to-work area, unemployment is 17%. In the county of mid-Glamorgan unemployment is 19% and outside South Wales, in the North-East of England, unemployment is 20%. So the problems of the regions are even worse than the

national unemployment levels would indicate. I would appeal to this House to make sure it supports as a minimum all the Committee on Budgets' amendments and looks favourably too on one or two of those from the Regional Committee.

Mrs Lentz-Cornette (PPE), Draftsman of the opinion of the Committee on the Environment, Public Health and Consumer Protection. — (FR) Mr President, ladies and gentlemen, if the budget of a Community is normally its mirror, I must say that as far as the environment, public health and consumer protection are concerned, it is a pretty dull mirror and, what is more, it is two-faced. I will explain myself.

If you consider the work done by our committee on all the opinions it delivers on directives, regulations, recommendations, own-initiative reports, etc., you must admit that it is really enormous. If you open any newspaper or start investigating public opinion, you will always find articles and people ready to tell you that they are all, without exception, concerned about the environment and in a very special way. Conservation of the air, of water, of the soil, being sure of having healthy food and a place to work — these are their daily concerns. Very well then, what do we find in the budget? In Chapter 66 of the budget, we find altogether, in round figures, 30 million ECU — that is to say, one-thousandth of a total budget of 30 000 million. So the entire chapter on the environment amounts to one-thousandth of the budget of our Community.

In his book *Le Mal française*, Mr Peyrefitte quotes the following observation of a certain Mr Parkinson: the time, says Mr Parkinson, spent in discussing a matter is inversely proportional to the cube of its budgetary incidence. I am very sorry to say that if anyone ever writes a book on 'Le Mal européen', he will have to write that the time spent on discussing a matter in our committee is inversely proportional, to the power of ten, to the cube of its impact on the budget of the Community. So much for the first surface of my mirror. The second is also disappointing, though in a different way. For a policy to be effectual, one needs adequate funds, but these funds also have to be properly used. In our case, appropriations are not well distributed. They depend upon DG XI and on DG XII. Most of them have been devoted to studies and research. There are very many duplications, both between DG XI and DG XII and within a single directorate-general.

I will take as an example research and operations in the sector of refuse. Technically and economically, this sector offers tempting prospects of recycling refuse — and Heaven knows, we have enough refuse in the Community, — then of freeing the natural environment of all this refuse, and finally — what is most important — offering employment to thousands, if not hundreds of thousands, of workers. So I am tempted

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to remark once more on the Budget Committee's refusal of the budget for refuse policy.

One finds this same duplication when one comes to atmospheric pollution. For example, twelve studies on atmospheric pollution in Athens were made during the course of 1983, but according to my information the city is just as dirty as it was, and I do not know whether anyone has given his attention to these twelve studies.

There are other problems with regard to studies, and I will give you another example. A study was commissioned on the Rossel, a little river in Lorraine and the Saar, the job had been very well done, results have been obtained and it was possible to see how they could be exploited, but the mayors on both sides were unaware that the study had already been completed. Consequently, there has been no follow-up.

The first necessity is to lay down the aims very clearly when studies and research are to be carried out. These aims must be very clearly defined, but once the studies have been carried out they must be made to serve some purpose.

Here one comes up against another difficulty, and that is the lack of staff in DG XI — and I think the situation is similar in DG XII. This directorate-general is really under-developed, because it has too few people to determine the aim that has to be pursued, to study the results and apply them in practice.

I beg this House to consider this point in future. I have already referred to the recycling of refuse, which is of great importance to our committee. We should like to see the appropriation of 1 630 000 ECU put back; there is the problem of harmonizing statistics, without which little can be done, and we should like to see a restitution of the appropriations for the protection of certain regions in the Community. Finally, I would ask that the 300 000 ECU for organizations concerned with the protection of animals be entered in the budget, because other organizations enjoy the benefit of appropriations in the Community budget.

Lastly, no more than 3 million ECU have been entered in Chapter 100 for the Year of the Environment. I would ask the Council whether it wants to declare a Year of the Environment or to witness the burial of the environment in the year to come.

IN THE CHAIR: MR GRIFFITHS

Vice-President

Mrs Seibel-Emmerling (S), *Draftsman of the opinion of the Committee on Youth, Cultural Affairs, Information*

and Sport. — (DE) Mr President, anyone who looks at what the Council, for all its high-flown speeches, really has it in mind to do for culture and education and for the youth of this Community, simply must stand up and protest against its short-sighted policy. Through its omissions and refusals it has, quite simply, shown itself to be diametrically opposed to the Community and to the much-promised. The Commission's contributions to our area of responsibility were modest enough. What the Council means to leave of them is absolutely shameful. The Venus di Milo is still beautiful, even if only a torso, but the Council's truncated cultural policy and policy for youth and information has absolutely no redeeming features. It lacks any sense of purpose or feeling of responsibility, especially where the needs of Spain and Portugal are concerned. That is why we have to be vigilant, in particular in relation to Item 2 720 on information, which needs the support of the entire House. If people cannot be informed about the Community, they will fail to see themselves as Community citizens, and will have no reason to support us in our work.

We must protect youth exchanges from the onslaught of the Council. Only if our young people can be helped to get to know each other and learn from each other can we expect them to work together to map out a European common ground for the future, one that will meet the basic conditions of securing peace both inside and outside our frontiers, of abolishing fear and unemployment. For that reason the programmes for young workers, who now also include the young unemployed and are aimed at creating special opportunities for girls, are particularly important to us. We want to support the non-governmental organizations that are engaged in invaluable work in all Member States. Our interest and support must also go to the Youth Forum, which urgently needs more funds to continue its work. And especially important and precious to us is the work of the European Centre for the Promotion of Occupational Training, which we have entrusted with the task of combating unemployment and of laying part of the basis of our work for European unification.

The Community needs its cultural complexity in a European identity. At a time when television is taking over an increasing number of leading functions, that European identity cannot be sustained if day after day we are completely swamped in an great morass of totally different cultural values — if indeed they can be called 'cultural values' at all. For that we need a European counterweight, and Title 672 represents a first opportunity to provide one.

Politics is the art of the possible. In our situation that means, if it means anything, that the Community's resources will have to be used carefully and sparingly. My committee has been guided by that scale of values in every statement it has made. When you look at how appropriations were used in past years, you can see that we really have only asked for the minimum neces-

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sary. We are therefore grateful to the Committee on Budgets for having taken up many of our suggestions. We now appeal to the whole House to support us in our campaign on behalf of youth, of culture, education, information and sport.

Mr Andrews (RDE), *Draftsman of an opinion of the committee on Development and Cooperation.* — Mr President, ladies and gentlemen, on behalf of the Committee on Development and Cooperation, I must make it quite clear that the appropriations entered under Title 9 of the draft budget for 1986 are inadequate.

Most of Africa has had a reasonably good rainy season, but the situation continues to be dramatic in many developing countries. All informed sources stress the need for a continued high level of assistance, particularly to countries in the Horn of Africa. At the same time, the recent famine highlighted the need for far-reaching structural development in the Third World, particularly in Africa.

The 1986 draft budget as drawn up by the Council does not enable the European Community to play the role which Parliament would wish in assisting the developing countries to achieve a reasonable level of development. While the Community's development assistance under the Lomé Convention is financed from the non-budgetized European Development Fund, vital aspects of aid, including food aid and emergency aid, depend on the annual budget. Insufficient appropriations have a direct effect on both the volume and the quality of Community aid.

The Committee on Development and Cooperation particularly deplores the fact that the commitment appropriation entered under Title 9 of the draft budget has fallen 12% below the 1985 budget, thereby jeopardizing future programmes. Furthermore, the proportion of the budget devoted to development has decreased from 4.26% in commitments and 3.39% in payments in the 1985 budget to 3.9% in commitments and 3.43% in payments in the 1986 draft budget. The inference is clear. The Council appears to regard development policy as being of less importance in 1986 than it was in 1985, despite the continuing crisis in many developing countries and the obvious response of the European people to Band Aid and undertakings of that kind.

It is the belief of the committee that the Community's development policy should address itself particularly to structurally improving the economies of Third World countries. It is, consequently, important that imaginative policies backed up by the necessary financial resources be carried out in this area.

My committee is therefore giving particular importance to budgetary lines such as Article 929 — Food projects in place of food aid, Article 958 — Special

programme to combat hunger in the world, and the new Article 943 — Co-financing projects with the International Fund for Agricultural Development. In addition, the committee reaffirms its ongoing commitment to developing the programme of financial and technical assistance to Latin America and Asian developing countries. This programme is working particularly well.

In the preliminary draft budget, the Commission entered, in Chapter 101, a contingency reserve of 400 million ECU, of which 165 million ECU was to cover the cost of an emergency food-aid reserve of 500 000 tonnes of cereal equivalent. This reserve was eliminated by the Council in its draft budget, despite the fact that the Council of Development Ministers meeting in Luxembourg last week decided, on the basis of a decision taken in the Milan European Council, to set up this special reserve. While Parliament's limited margin will not enable the required appropriations to be entered in the budget by amendment, the committee is proposing that a new line with a token entry be created in Chapter 92 with an appropriation in Chapter 100. I must appeal to the Council representative to be consistent with Council decisions and to make the necessary sums available in the 1986 budget. It is not incumbent on Parliament to make good the inadequacies and inconsistencies of the Council.

Similar inconsistencies are evident with regard to South Africa. On 10 September 1985, the ministerial meeting on political cooperation decided on a series of positive measures regarding South Africa. These measures will evidently have budgetary consequences, yet there is no line in the draft budget to cover the expenditure. The Committee on Development and Cooperation is consequently proposing the creation of a new Article 953 to cover this expenditure. Here again, Parliament is having to make good the omissions of the Council at the expense of its limited margin. I appeal to the Council in the future to take a more responsible attitude when drawing up its draft budget.

Finally, I would like to draw the attention of this Assembly to the serious shortage of staff in DG VIII. The lack, in particular, of technical staff has led to operational difficulties in several sectors of development policy, as has already been pointed out in Mr Price's report and resolution on the discharge of the 1983 budget, which Parliament adopted in April this year.

Mr President, there is much more that I — and indeed you and all the Members of this Assembly — could say about development and cooperation, but I realise that my time has run out. Finally, however, I want to pay tribute to the Committee on Budgets for the understanding it has shown me, and, to the general rapporteur for his patience and consideration. Indeed, I pay tribute to all the members of the Committee on Development and Cooperation who spent so much

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time going through this report and dealing with the difficulties we were confronted with and who showed such care, consideration and compassion. I would also like to pay tribute to our chairman, Mrs Focke, and to the secretariat.

Mrs Lenz (PPE), Draftsman of the opinion of the Committee on Women's Rights. — (DE) Mr President, the Committee on Women's Rights has instructed me, as its chairman, to act as draftsman of its opinion.

As in earlier years, our committee has worked in close collaboration with the Committee on Social Affairs and Employment and the Committee on Youth, Culture, Education, Information and Sport. I should like to take this opportunity of saying thank you for the excellent cooperation that helped to ensure that our requests, based as they were on a truly realistic policy, were favourably received by the Committee on Budgets.

What is at stake? That first and most important course of action involves measures intended to counteract the disproportionate levels of women's unemployment, especially in the case of young people under 25, a very high proportion of whom are girls. It is especially important in this connection to create new jobs in modern technology. We wish to make these requests especially clear through the introduction of a special information campaign.

These provisions also apply specifically to the training measures contained in the budget under Chapters 60, 61 and 63 — European Social Fund. We also sought in various ways at an earlier stage to adopt a clear position in the implementation of the budget on the question of how much effort is really being devoted to the problems of women. We shall continue to promote this special campaign for as long as this provision is not made.

Another important item for us is the measures called for under Chapter 64 to stimulate the labour market, on which agreement was reached in the Committee on Budgets. Special importance attaches to item 6 440, measures to secure the principle of equal treatment of men and women, in other words measures to implement the Commission's action programme. At a time when there is a great deal of talk in every country about implementation of equal treatment, but only very limited efforts are being made to achieving it, when we have the impression that the Council of Ministers seems reluctant, not to say refuses, to consider new directives, this European initiative can also serve as a European yardstick by which we can judge our own Member States and their good intentions in this area.

It will also serve the practical function of a pilot scheme through which we seek to assist Member States and their organizations with practical advice

and help. It goes without saying that the closest possible attention must be paid to securing an information policy to meet the requirements of a policy truly geared to the needs of the citizen. Cuts in this area are an indication of short-sightedness and insensitivity at the very least, and certainly do not represent any kind of progressive European spirit. It is precisely in this area that the motor effect of the European Community has been strongest, and even the modest approaches that the European Community has made in the last ten years in the area of implementing equality of treatment have made such a strong lateral impact that all our countries have been able to benefit in this area. We hope that it will be possible for the same policy to be continued in future. It should certainly not be cut at a time when new countries are about to join the European Community, countries whose populations, especially the women, expect so much help and advice from us in this area. I should regard it therefore as very shortsighted if appropriations for this measure were to be cut at this particular time.

There is one further item that we shall be calling for, one on which a decision has still to be reached, but for which I am sure I can count on the support of my counterparts in this House: we need to increase the staff available for women's information activities, which have been very effective in recent years, a fact that has become abundantly clear to the European Parliament during the election campaign in circumstances highly favourable to Parliament's participation. We therefore call urgently for our requests to be supported, in the interests of the European Community as a whole.

(Applause from the centre and the right)

Mr Christophersen, Vice-President of the Commission. — (DA) Mr President, when I listen to the debate being conducted here in Parliament today, I cannot help getting the impression that a very large number of important questions have been carefully prepared and thoroughly examined both in the Committee on Budgets under the expert chairmanship of Mr Christodolou and in the other committees. I should therefore like on behalf of the Commission first to express our appreciation of the efforts made in Parliament — not least in an situation such as we have at present, in which we are confronted with a number of important budgetary problems, which perhaps extend far back into history.

I also hope that I may be permitted to concentrate my remarks today on a few important questions and to return tomorrow to many of the individual problems which have already been touched upon and which will no doubt also be dealt with by subsequent speakers.

The problems which the Commission sees as the most important ones in this year's budget debate are happily also those on which Parliament has laid the main emphasis in its work on the budget. Let us hope — the

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Commission certainly does — that the Council, when it returns to the budget very soon now, will also recognize the existence of these problems. This was unfortunately not entirely the case when it completed its first reading, but I hope that the Council will now recognize — and there is much to indicate that it will — what the really crucial questions are.

And what are the crucial questions? In the Commission's view there are three major questions to which Parliament sought answers in its first reading, and these three questions will also be the ones with which the Council will be confronted.

The first is how to solve the budgetary problems which will be a natural consequence of the enlargement of the Community. Here I would like to say the Commission considers the proposals put forward by Mr Christodolou and the Committee on Budgets to be realistic, adequate and credible. If these proposals constitute the final outcome of the budgetary debate, it will be possible for the enlargement of the Community to take on a sound and credible budgetary basis. So I can only express the Commission's satisfaction with these proposals.

The next question with which we are confronted is how the Community can ensure that enlargement actually takes place under generally sound and sensible budgetary conditions. Here we inevitably come up against the problem of the burdens of the past. It is a large and growing problem; it is the result of inadequate balance between appropriations for commitment and appropriations for payment. If we wanted to be more political, we could say that it is the result of a lack of political responsibility on the part of the budgetary authority over many years.

And if that problem is not solved now, that is, if it is not recognized now and if we do not make a systematic effort to remove it, there will not be much point to our having solved the problem of enlargement. We shall still find ourselves in an unsound and dangerous budgetary situation on 1 January in an enlarged Community. If we do not get to grips with this problem in 1986, but put off the task of solving it, we risk being unable to deal with it effectively in subsequent years, because the general growth in Community expenditure will make it difficult. We can say that 1986 is an open window; it is the year in which we have a realistic chance of tackling the problem. If we postpone it, I have to say on behalf of the Commission that we shall be leading the Community on into a new budgetary crisis.

For that reason too I should like to express the Commission's satisfaction both with the fact that Parliament recognizes the existence of the problem and with the fact that its proposals go a long way — not so far as the Commission had proposed, I must admit — but Parliament, the Committee on Budgets, goes far enough in its motions for amendments to emphasize to

the other arm of the budgetary authority, the Council, how serious and important this question is. So far, so good.

But I have one comment to make on Parliament's manner of dealing with the problem of the burdens of the past. It is not entirely logical, I am bound to say, just as the Council's attitude was not entirely logical. While Parliament is prepared to go a long way in additional appropriations for payment, Parliament does not share the Commission's view that we must at the same time have a very limited rise in appropriations for commitment. The Council unfortunately also did not share that view. The Council increased appropriations for commitment over what the Commission had proposed. Parliament wants to increase them even further, and the Commission cannot support these two approaches. We do not think they will make the books balance. In the Commission's view it is necessary to place strict limits on the annual rise in appropriations for commitment and to limit the rise in appropriations for payment accordingly, otherwise we shall not solve the problem. On the matter of commitments, I must therefore say — it is no secret, since I have also said it in the Committee on Budgets — that Parliament does not have logic on its side.

The third question with which the budgetary authority is confronted and which the Commission is also following is how the budgetary authority should use its margin of manoeuvre. The Council has defined its understanding of its margin of manoeuvre. Indeed Parliament has had to define its understanding every single year, and what I have noticed — this is what the Commission considers to be important — is that, when it is a question of all the other appropriations under non-compulsory expenditure, Parliament has taken a very disciplined attitude. The Committee on Budgets proposes that a particular margin of manoeuvre of limited size should be adhered to. I should like on behalf of the Commission to express our view that this is a wise arrangement, a wise move in the approach of the Committee on Budgets to these questions. In the Commission's view it is the kind of decision which will make it possible in the final phase to reach a broad understanding of how the budget for 1986 is to look. Quite apart from the fact, of which many are certainly aware, that it contributes to a picture of Parliament as a responsible element in our institutional system.

I have only one comment to make on Parliament's definition of its own margin of manoeuvre, one isolated matter which gives me and the Commission cause for concern. It can be said that Parliament sticks scrupulously to its margin of manoeuvre when it is a question of so-called appropriations for payment. If we look at appropriations for commitment, it is clear that Parliament goes further than half the maximum rate of increase. I do not know whether it is due to a calculation error — perhaps not. But I would point out on behalf of the Commission that, if there is to be full political logic in the position, it would be only really

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correct to adhere to the margin of manoeuvre on both sides. At all events, if the Commission is to examine the possibilities of finally bringing about an agreement on the budget between the two arms of the budgetary authority, I think we should take a close look at the problem I have referred to here and see whether it cannot be solved.

Those were my comments. I would repeat that we are in a difficult situation. We are faced with enlargement of the Community at a time when we are simultaneously confronted with inherited economic problems. In the Commission's view, therefore, it is now that we must take decisions which will enable enlargement to take place on a sound budgetary basis. We must therefore tackle both the direct consequences of enlargement and the inherited economic problems. This calls for a realistic assessment and the will to set priorities, to recognize that we cannot have everything. But there are many elements in the work done by the Committee on Budgets and the other committees and many elements in the debate here which demonstrate that an understanding of all these matters is increasingly taking root. The Commission will therefore continue to make its contribution to ensuring that the budgetary procedure has a positive outcome.

(Applause)

Mr von der Vring (S). — *(DE)* Mr President, we Socialists support the proposals of the general rapporteur, to whom we express our very special appreciation for the highly successful work he has performed.

I shall begin by outlining the basic characteristics of the Council's draft in order to make our position, and by extension the position of the House as a whole, understandable. The Council has submitted to us a draft budget providing for an increase in appropriations of more than 3 300 million ECU. That represents an increase of 17%, which on first appearances seems an imposing amount.

But the appearances are deceptive. After deducting appropriations accounting for repayments etc. that are returned directly to the Member States, the net increase comes down to only 1 600 million ECU compared with last year, or an increase of 5.5%. This increase in expenditure is broken down as follows: 490 million ECU on agricultural price guarantees to the present ten Member States, 430 million ECU for all other expenditure by the Community of Ten, including spending on infrastructure, transport, industry, research, the environment, development policy, the administration of food aid, and so on. A net increase in expenditure of 920 million ECU is thus being proposed on the basis of the Community of Ten.

In addition, the Council has also provided for expenditure of some 680 million ECU for Spain and Portugal, concentrated very heavily in the area of agricul-

ture. These 680 million ECU are however offset on the revenue side by net payments by Spain and Portugal, i.e. after deduction of the repayments of 1 400 million ECU due under the Treaty. In other words the Council has made provision for the newly-acceding countries to make a net contribution to the expenditure of the Community of the Ten to the tune of some 730 million ECU, despite the promise by the Heads of State and Governments to those countries that they would not be allowed to fall into the position of net contributors in the coming financial years. This means that of the 920 million ECU increase in expenditure on the basis of the Community of Ten, Spain and Portugal will be financing no less than 730 million ECU. That is the effect of the Council's draft budget for 1986. A net amount of only 190 million ECU will be paid by the Community of the Ten as increases to the budget.

But that is not all: The choicest part is yet to come. The Council has provided for increases in common customs revenue and agricultural levies of 560 million ECU. This means that under the Council's proposals for 1986, the ten national budgets will pay 370 million ECU less in net terms than in 1985 and that is characteristic of the Council's draft.

This is happening in the year of enlargement to the South, about the cost of which so many complaints have been heard, in a financial year in which considerable sums have had to be found to meet long-standing prior commitments, in a year in which, exceptionally, the value-added tax threshold will be significantly underutilized.

What then are the main characteristics of this draft budget, on which we have to reach a decision? The Commission has criticized it sharply. It has determined that in this draft at least the following amounts for urgently necessary expenditure are lacking: 700 million ECU to prevent the acceding countries from falling into the position of net contributors, 900 million ECU to cover maturing long-term prior commitments, and 500 million ECU to secure the operational capability of the Structural Fund. While the national finance ministers seek to save 370 million ECU, they deny the budget 2 100 million ECU in urgently necessary expenditure, quite irrespective of any considerations of the future development of the Community.

What should this Parliament do about such a budget, which typifies in an extreme form, the complete lack of European responsibility of the Council of Ministers? The Treaties only allow Parliament the right to an automatic increase in the budget of up to 217 million ECU, but the margin of expenditure required is no less than 2,100 million ECU. But the treaties not only give Parliament a certain margin for the further development of Community policy, they also place upon the Council the duty to make provision for all budgetary appropriations that, as stated in the Treaty,

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derive urgently from the Treaty or from legal enactments deriving from the Treaty.

This cannot mean that the Council is free to fix the amounts at will, because it has to take due account of legally binding payment commitments which it has itself created as the legislative authority. If the Council fails in that then it violates its Treaty obligations as budgetary authority. These Treaty violations by the Council are at the root of the 2 100 million ECU officially calculated by the Council as well as the 700 million ECU for Spain and Portugal, since a promise by the Heads of State or Government is hardly something the Council can afford to dismiss as non-binding.

A word on the former long-term commitments under the Structural Funds, which the Commission describes as old debts. These are commitments that Parliament entered into in earlier budgets in favour of the Structural Funds. The power to authorize these commitments was a legally-binding component of the budgets. For the Council now to call these commitments in question amounts to nothing less than an attempt to curtail Parliament's budgetary rights.

Mr Commissioner, we take the view that where the commitments exist, the payments must be made, and that same principle must continue to apply in future.

(Applause)

How should Parliament react to a Council budget like this, one that we in fact consider to be illegal? The Council did inform us that it would propose improvements at the second reading, especially as it affects the acceding countries, but it has refused to specify any figures. This makes it perfectly clear — and I want to say this directly to the Council — that it intends to circumvent Parliament's clear right, at the first reading, to discuss certain budget proposals line by line and to make changes to them. It seeks to reduce Parliament's first reading to a charade.

What is to be done? In the Committee on Budgets it was seriously suggested that Parliament should refuse to consider this budget, that it should reject it at the first reading. There were three reasons why we did not adopt this proposal. Firstly, the Community's reputation in the two acceding countries is at stake. They have just signed the Treaties of Accession with us, treaties that call on them to make considerable sacrifices, after a long period of negotiations. In return we have promised them an evenly balanced budget in the first years after accession. Now they are being clearly shown that the Council is not prepared to implement this. This House cannot allow the Community to welcome its new Members with that kind of slap in the face. In that respect alone the behaviour of the Council is inexcusable.

Secondly, this attempt by the Council to curtail Parliament's budgetary rights is only the high point in a long

series of such attempts. Until now these have always involved smaller amounts, amounts that were hard to pin down in legal terms. This astounding underprovision of the budget by the Council in relation to its payment commitments creates an opportunity that Parliament cannot afford to let slip from its grasp if it wishes to put a stop to the gradual erosion of its rights. Parliament must not draw back from the challenge.

Thirdly, we do not wish to turn rejection of the budget into a matter of routine. The purpose of Parliament's right of rejection is to deter the Council from taking inappropriate budget decisions, but if this mechanism does not operate then others must be put in its place. It is a question of finding the means, decisively once and for all, of deterring the Council from its repeated attempts to evade the financial consequences of its own legislation and its legally binding payment commitments under the budget. There is widespread unanimity of view in this House in recognizing this fundamental necessity. The answer of the House means not just a proposal at first reading, it means showing Parliament's determination to carry its proposals at the second reading regardless of the half-baked offers from the Council. We have therefore in calculating the missing amounts kept very carefully to the Commission's calculations. If the Council should go so far as to call the legality of such a budget in question, then it would have to turn to the European Court of Justice. The confrontation that would take place there would be concerned not with the question of the legality of this decision but that of the legality of the Council's draft budget, that is the question as to how free the Council in fact is wilfully to ignore Community commitment appropriations.

Mr President, the rapporteur has already given the details. There is only one further point I should like to raise, one that is especially characteristic of the difficulty here. In previous budget rounds the House has concentrated all its efforts on trying to secure a forward-looking policy covering a broad range of options. But on this occasion, in view of the legal confrontation that threatens to break out, we prefer not to leave ourselves exposed in any formal sense. We shall therefore forgo the opportunity for a confrontation on the rate of increase and shall confine ourselves to the 217 million ECU. It pains us to do this since it means that we shall be unable to support a good number of important items that were put forward by the committees and which we hold in high regard: I shall mention further progress with common policies, the Mediterranean programme, Eureka, transport policy, to name just a few of the areas where, as a consequence of the Council's draft budget, the restricting tentacles of national pettiness again threaten to choke the Community.

All of that will have to be disregarded in favour of the option I have described. There could hardly be a worse time to have to stage a confrontation in response to the utter disregard for vital Community

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needs displayed by the Council. The fundamental issue is Europe, and we must step in to prevent it from taking a backwards step.

We have been told that the draft budget conforms to the internal Council agreement on budgetary discipline. It is therefore important to point out that out of nearly 1 600 million ECU in net increases in expenditure, more than 1 000 million ECU — 64% — will be devoted to agricultural policy guarantees. We utterly deplore the fact that in this draft once again no significant effort has been made to restructure the budget. Our scepticism at so-called budgetary discipline does not relate to the intention, on the contrary, our criticism is directed at the fact that the perfectly reasonable idea of budgetary discipline has been devalued to a bureaucratic concept that stands in the way of any further extension of the share of Community expenditure devoted to the Community social product, thereby putting a stranglehold on any substantial development of the Community. For, astonishing though it may sound, this draft is quite simply the product of applying the formula for calculating budgetary discipline as if there were no enlargement, and as if there were no political problems in this Community.

A final word on the maximum rate to which we are forced to submit for procedural reasons. What kind of calculation is it that has led to the figure of 7.1%? It should basically reflect growth in the Community's social product at the present time. But with enlargement the Community's social product will be increased by about 9% with the simple addition of Spain's and Portugal's social products alone, so that the maximum rate should be 16%. I don't want to start playing with figures here, but I would like to ask the Council — and the Commission too — just how enlargement is supposed to be accommodated on the basis of such a figure.

In conclusion, I should like to say a word to the President-in-Office of the Council personally, who for technical reasons cannot be with us. We are all well aware of his efforts in the Council to secure a responsible budgetary policy. We offer him our thanks and our appreciation for doing so. The representatives of governments are not all to blame for this travesty of a draft budget, and after 1 January 1986 we hope to secure a European majority in the Council of Budget Ministers. It is important for us to have positive-thinking counterparts in the Council of Ministers, and we know that we all depend on reasonableness prevailing in the Council of Ministers for the sake of joint cooperation efforts in the future, but today the Council confronts us as an institution, as a single body. It has drawn up this draft, it has submitted an irresponsible budget. For the sake of the Community we must try joint forces to bring a reasonable budget, and the Council would be well advised to adopt our proposals and amendments while at the same time hanging its head in shame.

(Applause from the left)

Mr Christodoulou (PPE), general rapporteur. — (GR) Mr President, after thanking Commissioner Christophersen for his very creative approach to the problems of the budget, and for his efforts to achieve a result, I would like to point out to him that the matter of commitment appropriations is the basic expression of policy by all the Community's bodies. It is the way the commitment appropriations are determined that expresses Parliament's will, but also the intentions of the Commission and of the Council, regarding the policies to be pursued in sectors to which the Community wishes to devote particular attention.

(Applause)

In a period, then, which we all recognize as transitional, and which will decisively determine the Community's future development, it is extremely difficult to start from the principle that we will impose a certain proportional increase, more in the character of a book-keeping exercise than related to the facts. We all recognize that to achieve some degree of balance between differently timed expenditures and appropriations, such as the commitment and payment appropriations, there must be some sort of internal discipline; we all accept this. But we must also bear in mind that by defining a proportion, we cannot condemn the planning of policy and the development of new policies by the Community.

So having once more thanked the Commissioner for his efforts, I want to tell him that the reason why the commitment appropriations based on Parliament's margin of flexibility have increased to such an extent, is because of the importance we attach to certain basic principles, namely to the subject of research and technology. This is an area which, according to the decisions of Council and the Commission, will in due course bring about very large increases of the appropriations. To achieve this, there have to be commitment appropriations, and that is exactly why we laid particular stress on this sector.

Another subject is the matter of transport. There are approximately 60 million ECU in commitment appropriations for the transport sector, as a direct consequence of the Court's decision on development and improvements in that sector. So we cannot ignore such guidelines on general policy by reducing the commitment appropriations in sectors where development has the approval of all the Community's bodies. I repeat once more, we have done absolutely nothing that could be considered exaggerated or irresponsible. We operated within a framework of very great and close responsibility. And I can say that we on the Committee on Budgets became unpopular with many other members of the various Parliamentary committees, precisely because we restricted their very just demands and claims. But we must bear in mind that if Parliament helps in the planing of the Community's new policies, commitment appropriations will play a very large part, and we will not be able on the one hand to

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say that appropriations for research and technology will have to increase to 6% of the overall budget, and on the other hand to complain because the commitment appropriations have risen slightly above the 5% originally intended.

(Applause)

Mr Bardong (PPE). — *(DE)* Mr President, ladies and gentlemen, the Community has been living in bad financial circumstances for a number of years now. In other circumstances, there might well be talk of imminent bankruptcy. Parliament has taken a number of important decisions — like the 1984 freeze on repayments — to force the Member States to live up to their responsibilities. Most recently, by rejecting the budget for 1985, it has played its part in again leading the Community out of a crisis — although the Community's own resources were repeatedly cut by the Member States, often by recourse to unacceptable methods, as I believe they will be again.

But enlargement of the Community has now at last been decided on, and with the budget for 1986, the institutions made up by the ten Member States are now already taking the decisions for all Twelve. But not all the institutions are equal to the task. The increase in the value-added-tax component for 1 January 1986 has finally been decided, and that should have been taken as an important opportunity to put the Community on a firm financial footing, an opportunity that really ought to be grasped at a time when the new Member States are acceding, because it would be quite unacceptable to allow the new start we are all making to launch us straight into a dispute, even if budget disputes with the European Parliament have long been a feature of the European Community. Those disputes were often clearly necessary and inevitable, inasmuch as this Parliament has to use its budgetary powers to gain political leverage in order to get its proposals through. The Commission's attempt to cover the requirements of accession and the much discussed prior commitments in this budget, with a greater financial margin of manoeuvre, has now simply been pushed aside by the Council. By refusing to cover all items of expenditure, the Council is failing in its obligations, and in the view of my group that is an infringement of Article 199 of the EEC Treaty. Parliament must once again step in to provide emergency cover, though the conditions for a firm financial situation should now be somewhat improved. We very much hope that Parliament will not be called on, on this occasion, to resort to its most powerful weapons.

It has already been pointed out that there were many of us who would have been prepared to go for a rejection or a non-decision at first reading, and would have been prepared to sit it out, because on 1 January those whose fate we are now so generously ordering without taking any account of their actual needs will be there with us round the table. 'Let us wait it out

until the Council creates that situation for itself', many of us thought. But the majority in Parliament was unable to agree on, as it were, meeting its responsibilities by doing nothing, but preferred to face up to its responsibilities to the Community of Twelve. That presupposes that the Council will be prepared, at the second reading, to take up Parliament's amendments. We can hope for clear majorities. The Council must recognize that the same will apply at the second reading. I am sure that the agreement of the majority groups to maintain this position at the second reading will carry the day.

Independently of this problem of the prior commitments, Parliament has used its margin of manoeuvre. In the case of a number of new policies — research policy, transport, development aid and world hunger — it has succeeded in securing a substantial share amounting to 90 million ECU. We must nevertheless face the fact that in the long-term, budget imbalances can only be corrected on the expenditure side, and on this development there has been little progress. Parliament's actions — despite the increases — remain meagre. Politicians in the Member States are going out of their way to make comparisons between the rate of increase in our budget and the rate of increase in their national budgets, without taking into account the fact that we have an enlargement on our hands.

For the Commission to have proposed 35 000 million ECU, the Council 31 800 million and Parliament now 33 600 million represents a meagre compromise that must be respected. The budget of Parliament will be increasing too. It has been accepted. Here therefore the costs of accession can be covered.

Together with some fellow Members I took the view that we might even be able to save here, but ultimately we all must trust that in 1986 the new posts created in the context of accession will be brought back to the present levels at the end of the election period.

Finally, a brief word on the transfers to the ECSC budget that are to be dealt with under the procedure without report. This budget is well provided for. Parliament can only accept this transfer because the transfers from the Community budget are being applied not to the projected but to the actual expenditure. In the long-term, however, Parliament expects an approximation of these budgets, albeit without any encroachment on the Commission's rights.

Mr Curry (ED). — Mr President, this whole budgetary procedure is turning into a tragi-comic mixture of irresponsibility, ill-will and shabby manoeuvring. The Council is treating the budget not as an instrument of policy but as part of an inter-institutional game and competition. What was its preoccupation? To preempt the Parliament, to dictate the use of Parliament's powers. Parliament could have replied in like coin. Parliament could have adopted the Council's budget.

Curry

It could have rejected the Council's budget at first reading. It could have used its margin exclusively on those things not concerned with enlargement on the problem of the burden of the past. I must say that all three of those solutions I found particularly seductive.

You will know the story of Winnie-the-Pooh, Mr President, although some of my colleagues may not. When Winnie-the-Pooh wanted to catch a *beffalump* he dug a *beffalump* trap. He put half a pot of honey in the bottom of the trap but in the middle of the night he woke up hungry and decided to go and find his pot of honey, falling into the *beffalump* trap where he was discovered, I think, by Eeyore the next day with his head stuck in the pot. The Council is in a very similar situation, having dug its *beffalump* trap. The thought of its ending up like Winnie-the-Pooh with its head stuck in its own trap is one which is particularly seductive. Such a policy would have effectively thrust the Council back to face its own responsibilities. But it would have had its disadvantages because that would have been to reply to the Council's budgetary flippancy with an equivalent flippancy. So we forewent that road and embarked upon the more difficult task and the more conciliatory task, I think, of reconstructing a budget to equip a Community of Twelve. But Parliament is not innocent of its own irresponsibilities. We have a tendency to regard the EEC budget as if it were some vast instrument of macroeconomic growth and as if the money for it grew on trees. It is not reasonable, logical or honest to defend at home national policies of retrenchment and austerity on public services and to vote cash into the Community budget with an abandon which is perfunctory and casual. There are some people in the Parliament, and they are present in all the committees, who seem to think that the process of building Europe is not merely autonomous from and independent of the business of national management but is actively opposed to it.

That there should be a creative dialectic between the national and the federal perspective is healthy and inevitable. That there should be a concept of community and common welfare that is not afraid to challenge national preoccupations where these are destructive of the common good is essential and desirable. But the systematic pursuit of goals that the incompatible with the essential national consensus upon which the citizens' and the taxpayers' welfare is founded is intellectually immature and politically foolish. This policy will head for the sands, Mr President, because you will be aware no doubt that we are rapidly moving into a situation where the three biggest northern countries — and I include France in that bloc — will find themselves net contributors to all the major funds in the budget and at that point they are going to say, faced with repeated demands to spend more money, no we will not pay. The scene is then set for a profound north-south conflict which will be extremely damaging to this Community.

This brings me to some reflections on our budgetary habits. The budget is an expression of policy. That is self-evident. I support entirely the belief that the Parliament, denied conventional legislative power, should seek to use the budget as a means of creating policy. It is legitimate, though, classically, one cannot help recalling that most national legislatures have won power by denying money to the executive not forcing it upon them. But using the budget to create policy must be done deliberately in an well-thought-out strategy that sets worthwhile targets and creates a consensus around the targets, a consensus which is more than an accumulation of occasional lobbies. At the moment we see the budget used as a Christmas tree on which we hang the symbols of our own frustrated aspirations for the Community and frustration with the slowness and lack of imagination in its decision-making. We have stuffed the budget with a plethora of small lines, small amounts of this, that and the other, citing always political will when it was not clear it could be spent as if the very act of voting money created a policy. It does not. It guarantees only that what spending does take place will be erratic, dispersed, unmonitored and innocent of accountability. We are in danger of creating an ungovernable budget. We should be doing the opposite, ruthlessly pruning the budget of its symbolic paraphernalia to create a genuine cost-effective instrument of policy which can rapidly and effectively translate concept into action.

We have, in particular, used commitments in this symbolic way. Commitments are not a sort of 'monopoly money', a sort of Community on the 'never-never'. They are legally binding, financial undertakings which are at the real heart of the budget and where the Parliament's real power lies. But they are voted as part of a process of haphazard bargaining that makes trading in the playground between schoolboys for conkers a model of financial rigour. This year we have had to face the problem of the weight of the past, past commitments to be honoured. We have blamed the Council for failing to match those commitments with payments, but we are now ourselves heavily engaged in the creation of a weight of the past in the future by our own failure to match commitments and payments.

My group will be seeking in the voting to scale down significantly those commitments. We support the broad lines of Parliament's action. We must tackle the problem of the burden of past commitments. Next year we are up against not only possible ceilings on revenue but also ceilings on elections which are always the more powerful in the Community. It is inconceivable that the VAT ceiling will be raised before 1988 and unrealistic and irresponsible to seek to roll forward the whole weight of accumulated debt — because that is what we are talking about — into yet another never-never world where the politics will look a bit easier. The trouble is, in my experience, politics never turn out to be that bit easier. We are by our actions not confronting the Council but opening the door to the Council. We are saying that we are giving them a

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chance to put their own deficiencies right. An approval of the budget would have closed the door on their subsequent actions. We would have imprisoned them in their own actions. What we have done now is to liberate the Council from the mistakes of the first reading. We specifically approve this as a first reading strategy. After that, of course, the situation is changed no matter how many claim that it does not. I trust that the Council will take the opportunity to produce a budget for twelve states and that when it does it will find a Parliament ready to meet it in a responsible debate on our joint responsibilities towards the mass of Community citizens for whom inter-institutional power battles are at best a mystery and at worst an insulting irrelevance.

(Applause from the European Democratic group)

Mrs Barbarella (COM). — *(IT)* Mr President, I felt that it is important to stress the fact here that this is the second year in succession that we are being forced to consider something that is not a proper draft budget. Once again it is a piece of book-keeping that does not face up to the real figures for expenditure in 1986, which can indeed be accurately predicted, but only part of that expenditure.

In other words, we are faced once again with a piece of book-keeping sleight-of-hand which demonstrates the inability or, to put it perhaps more correctly, the want of determination on the part of the Finance Ministers to translate into real figures commitments that are legally binding and that have been entered into by other Ministers meeting in the Council — at the same level therefore as themselves.

This refusal on the part of the Finance Ministers to take into account expenditures that must be made — such as those, for example, bound up with the enlargement of the Community to include Spain and Portugal or those that must be made to honour commitments entered into in the past under the Social and Regional Funds — I regard as politically unacceptable and certainly devoid of any procedural legality.

It seems to us that this refusal is extremely serious for at least three important reasons.

The first of these reasons is that it seems to represent a further deterioration in the political climate within the Community. The restrictions and the pressures being imposed by governments on each other are bringing about a log-jam situation which entails the risk of bringing the very working of the Community's institutions, or rather the Community instruments, to a halt and at the same time forging obdurate resistance — at least on the part of most of the Member States — to any idea or relaunching or stepping up the process of Community integration.

The second reason, is that this refusal introduces a further harsh note into the north-south conflict of interests, by which term I mean not so much the geographical position of the two territorial areas in question as rather the differences in growth and development that persist and are becoming even more marked within the Community.

We feel that the fact that this conflict of interests is getting sharper is all the more serious because of the fact that as from 1 January 1986 the Community is going to be enlarged to include Spain and Portugal. It seems to us that by voicing this sinking feeling that we have, we might sound a warning note to the new Member States, alerting them to the lack of resolve on the part of the majority to free the Community from the toils of a European concept that is, at the moment, largely visualized in terms of agriculture.

This refusal also seems to us very serious because the on-going conflict of interests could have an unfavourable influence on the achievement of the single market, which has been so loudly trumpeted and is so eagerly looked forward to.

It is obvious that without a policy permitting vigorous action to be taken — and only financial solidarity on the part of the Member States will make this possible — the differences in development which could be brought about, by a genuine single market could not but become even more marked.

The third of the reasons is still the refusal of the Finance Ministers to face up to expenditures that ought to be made seems to constitute a fresh attack on the powers of Parliament. This has already been pointed out by other Members, but I too would like to hammer home that point with all the force at my command. We feel that the decisions, on the part of the Council makes Parliament's first reading of the draft budget quite meaningless. Furthermore, with all the cuts that have been made in non-compulsory expenditure, it is clear that *de facto* we are being put into a situation where Parliament's actual margin of manoeuvre is going to be curtailed. On the one hand, therefore, we have a constant erosion of non-compulsory expenditure, while on the other we have the operation of this devilish mechanism called 'budgetary discipline' by the Council.

This then, Mr President, was the situation facing Parliament when it came to consider the 1986 draft budget. Faced with this attitude on the part of the Council, it is obvious that the only course open to Parliament was, at least in our opinion, to give the Council an answer that was politically hard-hitting but above all constructive. What it boils down to is that the Council's destructive approach had to be rejected. It had to be forced in practice to face up to the responsibilities it had undertaken in respect of the new Member States and when it entered into other commitments

Barbarella

by agreeing to and adopting new regulations for both the Social and the Regional Funds.

That is why, regarding it as the best option possible, we ranged ourselves behind the course proposed by the committee on Budgets, namely, the reconstruction of a budget which would reflect real expenditures. In this sense we are grateful to the committee's rapporteur for having directed his work towards this end in the achievement of which we have actively collaborated.

We feel that in the proposal put before us by the Committee on Budgets there are three points that are particularly important and that we would like to stress very strongly. With regard to the expenditure bound up with the accession of Spain and Portugal, we consider it essential that the reconstructed budget should put down real figures. I refer, of course, to the Social and Regional Fund expenditures that will have to be undertaken in favour of the new Member States. Real figures, that is to say realistic figures, to cope with the so-called 'burden of the past'.

I should not like this expenditure to be regarded as a payment only part of which can be recouped. I feel that we must stand by the figures submitted to us as realistic figures by the Commission and that we must dig in our heels on this position. I am convinced that we cannot regard the expenditures for the so-called 'burden of the past' as negotiable downwards. They are in respect of commitments entered into by the Council and which it must honour. I should not like to see a cutback in these expenditures, made on the basis of an imperfectly understood sense of compromise, leading in the budgetary procedure of 1986 and that of subsequent years to a serious blockage of Social Fund and structural resources by reason of the Commission's being forced by these past commitments to put the funds available to it under the 1986 budget into making good the past rather than looking to the future.

The third and last factor that I should like to stress is the prominent place that must be given to technological innovation in any reconstruction of the budget. In this connection I should like to remind the House that my group has tabled an amendment which the Committee of Budgets accepted translating into budgetary terms a decision already taken by Parliament. This was the decision to get to work on the supplementary programmes made possible by last year's decision on own resources, which would enable us to get a policy of technological innovation off the ground, in a new way. I feel that it must be stressed, that if technological innovation must be regarded — and I feel that everyone would agree on this — as a vital strategic factor in Europe's development, it is equally obvious that projects must be got underway at Community level and that the Community cannot withhold its participation in the massive programme of technological cooperation that could be launched by Europe.

There is one last point which we regard as crucial. This reconstruction of the budget was an important undertaking which was carried out in a very responsible manner by the Committee on Budgets. However, there is a further point which Parliament as such must bear in mind, namely, the firmness with which it must defend its position in the first and second readings. We feel that to reconstruct the budget on the basis of realistic figures was a major achievement, but that it is equally vital that this firmly held position of Parliament must be maintained right up to the end of the budgetary procedure. I say this for two reasons. One, which relates to our powers, is that, at a time when the powers of the European Parliament are being discussed within the framework of reform of the treaties, Parliament itself must demonstrate tangibly its unwavering determination to repulse any attack on its powers, and the budget envisaged by the Council is, considered quite objectively, an attack on Parliament's powers. If we do this, we need have no fear of the dangers or the consequences that might flow from a firm approach. I feel that we would have good solid arguments to put forward even in the event that the Council should not agree to our proposals but should unfortunately decide on a course of action which could land us all before the Court of Justice. I believe that we have got to be very firm in our defence of Parliament's powers and that, convinced as we are of the rightness of our positions, we must see it through to the bitter end. The second reason for firmness is that we cannot in any shape or form to the Community's instruments being eviscerated. They are the only means left to us for keeping alive for the future the possibility of development and growth in the European Community.

(Applause)

Mrs Scrivener (L). — *(FR)* Mr President, ladies and gentlemen, I begin by congratulating our rapporteur, Mr Christodoulou, and thanking him heartily for the considerable work that he has done.

I will now go to the heart of the matter. The Liberal Group opposes a draft budget which, only too obviously, is not serious. It is a farce whose author, the Council of Ministers, has long since ceased to make anyone laugh. The Council tells us, the procedure is not yet complete and we still have an opportunity of completing the sums for enlargement during the second reading. But then, Mr President, I should like to put a question to the President of the Council: Can you give us one good reason why the Council omitted to enter straight away the sums envisaged to cover the accession of these countries, a single explanation to compensate for the difficulties entailed by such a position in our budgetary procedure? So far, we have not had a single satisfactory reply.

I said a moment ago that the Liberal Group would take up a resolute stand against this draft budget. As a

Scrivener

result, and with equal conviction, my group will vote in favour of the proposals made by the Committee on Budgets, which are designed to lend some credibility to a budget which at the moment has none.

The Community has made various undertakings *vis-à-vis* Spain and Portugal, and the amendments submitted by our Committee on Budgets have the sole object of ensuring that they are respected. During the last few years, the Community has also made a whole series of other undertakings, and there too, the amendments submitted to us have the sole purpose of allowing us to keep our word.

If you will allow me, Mr President, I should now like, in connection with the present budgetary situation, to make a couple of reflections concerning the future of the Community. In the first place, I should like to say a few words about the idea known as *juste retour*. It is obvious that these words should have been banned from the Community, they should never have seen the light of day. At the present moment, there is a great danger that the feelings aroused among Europeans by the application of this theory will gradually give way to the force of habit. By living with a danger, one tends to become accustomed to it, and then the way is wide open to shipwreck. It seems to me now that only the Parliament still really wants to fight in order to ensure the *juste retour* ceases very soon to be anything more than a passing accident.

We should tell the Council that what the Parliament has accepted as a special case cannot be accepted for the future. We have no desire to go for a Community based on the principle of *juste retour*, and here we make a fundamental distinction between the question of the British contribution and that of the present enlargement. In the former case, we are confronted with a new rule in a treaty previously freely agreed to. This changes the very nature of relations among members of the European Community. In the second case, that of enlargement, if Parliament has restored the appropriations, that is because it is a matter of ensuring, during a period of transition, that these accessions do not entail grievous consequences for the entire economy of the countries concerned. It is clear that accession must allow those newly acceding to develop and not lead to their asphyxiation.

Next, I should like to stress the chronic paradox in which the institutions of the Community seem to be living at this moment. Judge for yourselves. On the one hand, most governments of the Member States persist in refusing to increase the powers of the European Parliament and consider that the possibility of this Parliament's increasing expenditure — as, for example, 217 million ECU for 1986 — is already an undue privilege. On the other hand, we have a Council which, despite undertakings entered into with Spain and Portugal, presents a draft budget for only 10 Member States and ends by telling the Parliament that it is up to us, during the vote on the draft budget, to

put right what it, the Council, has done badly or, what is worse, what it has been unable to do. It is, you must admit, a bit much. Either the Council now does its job and the Parliament will no longer have to try and put right — for the second time now, incidentally — a truncated budget submitted to it, or the Parliament must be given proper means of acting on the budget.

Once more, in connection with the 1986 budget as with that for 1985, Parliament is assuming its responsibilities. Despite all the traps laid on its path, and with the modest means at its disposal, it is going to try and transform into a true draft budget what one would never have dared to present to a national parliament — that is to say, to adopt a draft budget which compromises all the elements of expenditure that are known at the moment of its adoption.

With regard to commitments undertaken, I would add that I share the view of those who call for greater caution, and I am also firmly opposed to the idea of the 'watering-can'. Finally, Mr President, ladies and gentlemen, I think that our Parliament has to be given credit for being tenacious, for this tenacity is in the end simply based upon our conviction that, in the world we live in, Europe is more than ever necessary.

(Applause)

Mr Pasty (RDE). — (FR) Mr President, ladies and gentlemen, if I had to summarize in a short phrase the draft budget before us I would say that it is a non-budget for a non-Europe.

It is a non-budget, first of all, because in defiance of the principle of budgetary completeness it does not cover all of the commitments which the Community has contracted, be they commitments from the past for the structural funds or new commitments, i.e. political commitments resulting from the enlargement of the Community to include Spain and Portugal. The glaring paradox is that it is those States which pushed hardest for this enlargement who are today refusing to accept the financial consequences.

Two interpretations are possible. Either certain Member States are guilty of a kind of sinister machiavellianism by trying to ensure that the new enlargement will lead to the break-up of a Community whose principles they have never really accepted, or else other states are showing irresponsible blindness by refusing to accept the consequences of political choices with which they cannot cope.

Whichever attitude it is, the result will be the same: a non-Europe. I shall give a few examples. While the financial implications of enlargement are not being taken into account and when the IMPs whose implementation is linked to this enlargement, are being insufficiently financed, the British budgetary rebate resulting from the mechanisms decided on at Fontai-

Pasty

nebleau is increasing by 66% and taking more than one-tenth of a point off VAT, thereby lowering the new ceiling from 1.4 to 1.3% of the uniform rate.

What is there now to prevent every Member State being tempted to invoke for its own profit the *equitable return* rule by limiting its contribution to the common policies to the level of the benefits it hopes to derive from them?

The second example of non-Europe is the budgetary orientation being given to the common agricultural policy depriving it henceforth of any prospects for the future and whose horizons are more and more restricted to those of budgetary discipline. Once again no reserve has been provided for upgrading agricultural prices which for all practical purposes will be frozen for the third year in succession.

To put it bluntly this means that the only solution put forward to the problem of surpluses is the mindless destruction through inadequate funds of the incomes of those farmers, not necessarily the least efficient, who have the misfortune to live in the poorer regions of the Community.

No serious alternative to income support through prices has actually been proposed and the Commission's *Green Paper* is nothing more than a smoke-screen.

At a time when the Community as a whole has a deficit in agri-foodstuffs trade with the rest of the world, no policy for directing production has been proposed or even outlined.

What will happen to land used for raising dairy cattle when the quotas are frozen, as the Commission is proposing? What will happen to the land abandoned by cereal growers? Afforestation is not a cure-all. On the other hand, it would require ten million hectares for the Community to grow rather than import the food it needs to feed the animals it raises. In the United States, agriculture is increasingly seeking industrial outlets, such as bioethanol, whereas the Community and the Member States which comprise it are incapable of fixing a policy, as if they were paralysed by the action of the conflicting pressure groups opposed to it.

Only a reorientation of production on the basis of Community needs can limit the cost of the CAP and at the same time offer farmers real prospects for the future.

Such a policy is unthinkable without an overall view of the way Community agriculture should develop and means turning our backs on the current attitude which

because of the strict application of budgetary discipline is narrowly sectoral and short-term.

Finally those who think that a reduction in agricultural expenditure would benefit the new policy are either naive or guilty of bad faith. It is not budgetary constraint which is preventing the development of new common policies but lack of political will. In fact, if they are properly planned, the new policies, particularly in the area of new technology, transport and telecommunications should not lead to additional expenditure, but in fact to savings through synergies and scale.

The small amount of money provided for them in the draft budget, the Council's delay in adopting the legal basis needed for Community action unfortunately only serve to confirm the impression that this is a 'non-Europe' budget.

Taken as a whole this non-budget, which is the expression of a non-Europe, is only a little less than 20% of the French budget and some 3% of the total national budgets of the Twelve and some 1% of our national productions.

The difference of 2 200 million ECU between the figures adopted by vote in the Committee on Budgets and those produced by the Council look derisory in the context of what is at stake in Europe. Do they justify an inter-institutional crisis which runs the risk of using up energy on both sides over many months, when these same energies could be better employed in taking up the challenges confronting Europe?

In the Committee on Budgets our group cooperated in the efforts of the general rapporteur, Mr Christodoulou, who, I would point out, worked extremely hard to reach a general consensus.

We have helped to rebuild a budget, a real budget designed to serve a Europe which wishes to exercise greater solidarity and be more future-oriented.

It is now for us to make the Council listen to us and face up to its responsibilities for guiding the destiny of Europe as those who elected us would wish it to do.

(Applause from the Right)

President. — Because of the time, the debate will be interrupted at this point. It will be continued tomorrow.

(The sitting was closed at 8 p.m.)¹

¹ *Agenda for the next sitting: see Minutes.*

SITTING OF TUESDAY, 12 NOVEMBER 1985

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IN THE CHAIR: MR ALBER

Vice-President

(The sitting was opened at 10 a.m.)

1. *Approval of the Minutes*

President. — The minutes of yesterday's sitting have been distributed.

Are there any comments?

Mr Fitzgerald (RDE). — On yesterday's Minutes I want to draw your attention to a reference to a matter I raised. I quote from the Minutes:

.... and Mr Fitzgerald, who returned to a matter which he had previously raised concerning the free movement of persons within the Community.

While this is factually correct, it does not cover entirely the point I raised. I would request that added to that should be the fact that I referred specifically to the treatment meted out to a Member of this Parliament at Glasgow Airport — I believe that should be included in the Minutes. I request, therefore, that the Minutes be corrected accordingly.

President. — Mr Fitzgerald, we shall see to it that this is added to the Minutes.

2. *Decision on Urgency*

President. — The next item is the vote on the request by the Council for urgent procedure in respect of the

President

report (Doc. A 2-144/85) by Mr von Wogau, on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on the proposal from the Commission to the Council (COM(85) 295 final - Doc. C 2-58/85) for a decision relating to the coordinated development of computerized administrative procedures (C.D. Project).

Mr Patterson (ED). — Mr President, I am very much in favour of urgency on this vital matter, but you will recall that yesterday I raised the question of the text of the von Wogau report and in particular Amendment No 1 to the draft directive which records incorrectly the vote in committee, as does paragraph 8 of the motion for a resolution. Has this now been checked so that the correction to the text can be circulated in time for us to vote?

President. — We cannot give an answer to this question right now, but we will certainly have the text brought into line with the latest state of play. The corrected version will then be distributed.

(Parliament agreed to the request for urgent procedure)

This report will be put therefore on Friday's agenda after the votes. The deadline for tabling amendments was set at 8 p.m. this evening.

3. Draft general budget 1986 (continuation)

President. — The next item is the continuation of the budget debate.

Mr Van der Waal (NI). — (NL) Mr President, various Members have already spoken at length about the Council's draft budget and the procedure adopted by the Committee on Budgets when considering this budget. We do not need to discuss this again.

By and large we endorse the modifications and amendments proposed by the Committee on Budgets, and we shall therefore vote for them. Rather than commenting on the draft budget as such, I should like to consider the shadow of uncertainty which the draft and preliminary draft we are now considering casts over future budgets. I have four points to make in this respect.

The first concerns the accession of Spain and Portugal. The main reason for the decision to increase own resources from 1.0 to 1.4% was the enlargement of the Community. Some Member States even linked the ratification of the Accession Treaties directly to the increase in own resources. It can therefore be assumed that a large proportion of the additional 0.4% is intended for Spain and Portugal. Although we realize

that it is extremely difficult to estimate expenditure on these newcomers, it is very surprising that the Council's draft budget for 1986 takes virtually no account of them. The question as to the level of this expenditure in the future is therefore all the more valid.

My second point concerns the margin in own resources. It is worth noting that the Commission's preliminary draft budget would absorb 1.35% of the increased VAT resources in the very first year. With the ceiling at 1.4%, that would not leave much scope. The Commission has called its budget realistic, particularly in view of the accumulation of commitments entered into in previous years. Although estimates have been made of these burdens in the medium term, the narrow margin now remaining in own resources raises the urgent question of how long 1.4% will be enough.

The third point that, in our view, makes the longer-term situation an urgent matter is the agricultural policy. Although both draft budgets have allowed for depreciations on the value of stocks, they make no provision for the change in the policy announced in the Green Paper. Can anything be said about the scale of agricultural payments with which future budgets will be burdened? And will own resources cover these amounts?

Fourthly, there is constant talk about new policy. It is also said that additional resources will be needed for this purpose. We assume this does not concern the completion of the internal market, because that will have the effect of reducing rather than increasing costs. Can the Commission be more precise about this new policy and indicate what proportion of resources it will consume in the years to come? Will it include aspects of what is known as substitute policy, which will reduce the burden on the Member States?

To summarize, Mr President, what I have said raises the question whether the 1986 budget can be considered satisfactory when there is no clear view on expenditure in subsequent years. Directly linked to this is the question of the adequacy of own resources at their present level. Any attempt to increase them will undoubtedly lead to difficult discussions with the Member States. It is known that some Member States take the view that increasing the VAT rate must not result in an increase in the burden on national exchequers. In other words, additional contributions to the Community must fall within existing national budgetary limits. This will call for serious efforts to control expenditure and weigh up priorities as between the Member States on the one hand and the Communities on the other. If we add to this the effect of the expected negotiations with the United Kingdom on the compensation arrangement and the May 1985 regulation on own resources, which entitles every Member State to compensation in the event of budgetary imbalance, we have a fairly clear picture of the complexity of this matter.

Van der Waal

In view of this and of the policy to be established in the future, we call for an early start to a dialogue between the Commission and the national governments on the future financing of the Communities.

Mr Petronio (DR). — *(IT)* Mr President, it could be said that this debate on the European Parliament's first reading of the budget has brought us face to face with two issues: the 'burden of the past' on the one hand, and the new frontier of technology on the other. It would be a great shame if the European Parliament, offered the immense and fascinating opportunity of launching ourselves across the threshold of the new technologies with a strategy for Europe, fell back on brooding over the past, nursing its debts and talking about budget discipline and austerity, which we cannot believe is justifiable at a time when the need is for a great leap forward. Many other Members will discuss various aspects of the budget; I wish to concentrate on a single item for which there is not even any financial provision, namely, the proposal by the Committee on Energy, Research and Technology to insert an item on the Eureka project in the budget. The Committee proposes making a token entry only — for at present Eureka is still rather a nebulous concept — but nevertheless to include this item as a clear sign of our commitment to upholding and complying with the amendment to paragraph 17 of the Poniowski report which we ourselves adopted and which required us to take a firm position both with regard to the American Strategic Defence Initiative and to Eureka.

The European Community cannot participate directly in the American Strategic Defence Initiative. The question of whether its applications are military or civil is immaterial: the Community cannot participate. It is obvious, however, that we shall have to set up a monitoring system to provide accurate information on all developments and follow the progress of European industry, with or without their governments' blessing, on United States soil. Such a system should also ensure that as much technology as possible is transferred here, and is not prohibited from being exported on the pretext of protecting military secrets. Finally, it should ensure that the movement of firms does not result in a transatlantic brain-drain among our research scientists, thus further accentuating a serious and regrettable trend which we must discourage not only by our words, but also by all the budgetary means at our disposal. In the case of Eureka, we can do no more than make a token entry in the budget. Yet this at least should be done, as a first step towards entering a definite appropriation in the 1987 budget, when the problem will have to be seen in a long-term context: for the Ministers who met a few days ago in Hanover noted that ten projects are already in existence, while some newspapers have already described Eureka as a kind of marriage bureau enabling like-minded industries to get in touch with each other by placing an advertisement with this service and eventually, perhaps, produce offspring, the fruit of their cooperation, for

which we simply supply the market. We cannot confine our contribution to merely supplying a market for products; we must also play a role in creating those products. Lasers, new materials, biotechnology, space policy, artificial intelligence, information technology — together they form the 'new frontier' which we must begin to cross if we are to embark on a grand strategy for technology. We must ensure that projects are drawn up and also that the Commission is actively involved in assessing them, so that eventually we shall be able to allocate sufficient budget appropriations for these new activities to enable us to recover the ground we have lost — a point which has already been amply illustrated in this place on previous occasions — in relation to the United States and Japan. But, turning to the question of the market, it must be stressed that we cannot afford to offer these products a market which, in its present state, is more reminiscent of a jumble sale. What kind of a market is it where there is no free movement of capital? Where there are an infinite number of technical, bureaucratic and administrative obstacles to trade, which result in a reduction of 10, 15 or 20% in the real volume of our trade and the income generated by it, and greatly delay the progress of marketing our products? Where there is as yet no harmonization of standards, despite laborious efforts to that end? So here are our objectives: firstly, to make a token entry in the budget to enable sufficient funds to be appropriated in 1987 for Eureka to be considered our very own vehicle for crossing the new technological frontier, and secondly, to ensure that by 1992 at the latest the European common market has become the great market envisaged in the Treaties of Rome.

Mr Juncker, President-in-Office of the Council. — *(FR)* Mr President, ladies and gentlemen, a month ago I had the honour of laying before you in broad outline the budget which the Council had drawn up at the first reading in September. I think that at this stage in your work there is no need for me to return to the broad outlines of the draft, which I had said was still imperfect, at least as far as the 'accession' element is concerned.

I shall therefore limit myself to setting out a few points which I think must be put to you, since you have to give an opinion on the first reading on the basis of the findings of your Budgets Committee. I have noted your criticisms and suggestions with interest, and I shall try to take them into account as far as possible, and inasfar as they are acceptable, during the preparatory work for the second reading in Council.

Although the Council has admittedly not yet been able to discuss the main principles set out in Mr Christodoulou's report, which this year had the doubtful privilege of trying to guide the votes in the Assembly towards a consensus, the responsibilities of a President-in-Office of the Council also entail an obligation to ensure that at any moment it is possible to maintain

Juncker

the necessary dialogue in relations between the two arms of the budgetary authority. A month ago I said that as far as the Presidency was concerned, it would make every effort to enable the Community of twelve Member States to have a balanced budget on 1 January next. I have to say that after the private discussions which I have had with both the chairman of the Committee on Budgets, Mr Cot, and the rapporteur, Mr Christodoulou, the Assembly is on the point of adopting guidelines which, if voted on Thursday, could seriously jeopardize the objective which I mentioned just now.

I am well aware that it is not for the Council Presidency to lecture Parliament, but it would nevertheless like to draw your attention to three genuine sources of concern. First of all, the global volume of the amounts adopted by the Committee on Budgets. I am well aware that the Community budget has its own dynamics and that any line of argument which is too superficial lacks coherence. Nevertheless, if I were to express as a percentage the rate of growth of non-compulsory expenditure in the form of payment appropriations, as obtained by addition of the amendments adopted by the Committee on Budgets, I would arrive at the extraordinary figure of 36%. Let me remind you that the maximum rate of increase for this year is 7.1%, and that in general the national budgets of our Member States are all very finely calculated and that their average rate of increase is generally less than 5%.

Whilst I accept, of course, that enlargement is an element which has to be allowed for, the fact remains — and here I am speaking particularly to those among you who have held posts of government responsibility in the recent past — that the sum which you are proposing that the Council ratify on second reading has very little chance of being adopted as it stands.

How could I or my colleagues stand up in our own national parliaments, and therefore before our electors, and maintain that the economic situation requires that the finances of the Member States be conducted with a maximum of restraint, whilst at the same time, as members of the Council of the Communities, acquiescing in such obvious lack of control? That is the first source of concern. Your guidelines do not, in fact, show any of the priorities which are needed in budget matters. In reading them I have the impression that the search for a consensus across all political groups has more or less followed the outlines of budgetary policy which your rapporteur defined in the report which the Assembly adopted in May. At a time when the House is getting ready to ratify the votes of the Committee on Budgets, who will show us how, via the innumerable amendments which it has adopted, we are to attain the two major objectives set out in the resolution on the guidelines for Community budgetary policy in 1986, namely the fight against unemployment and the fight against hunger in the world, the latter objective being one which, I should like to point out,

was extensively taken into account by the Council during the first reading?

Having said that, Mr President, let me mention another reason for my concern: speaking frankly, it is the deliberate attempt by the Committee on Budgets to make the Council alone shoulder the burden of the past, while Parliament reserves its margin for the exclusive purpose of satisfying the demands of the specialized committees to the full. Although it is true that the Council has special responsibilities by virtue of the political decision to enlarge the Community, and that the Council has on two occasions declared its intention in this respect quite unequivocally, it is none the less true that it is unacceptable for the obligations arising from the burden of the past simply to be ascribed to the Council alone. I do, in fact, have data which provide evidence that as far as the discrepancy between commitment appropriations and payment appropriations at the level of the three structural funds over the last five financial years is concerned, the responsibility of the two arms of the budgetary authority, I repeat the two arms of the budgetary authority, is undeniable.

By doing as your rapporteur suggests, Parliament has taken very little account of the exploratory mandate conferred on the Presidency at the recent Budget Council, when, after detailed study of the problem, it was agreed that mutually acceptable solutions should be sought by the two arms of the budgetary authority. I was very pleased yesterday evening when the Committee on Budgets took some account of the initial position of the President of the Council, who had maintained from the beginning that, because of the extent of the problem posed by the very low maximum rate, the only solution which could reasonably be envisaged was one produced by the two arms of the budgetary authority and spread over several years.

The third source of concern, Mr President, is the determination to vote at second reading the same amounts as were adopted at first reading. I have no doubt that there are some people among you who have in recent days made an effort to ameliorate the way in which that determination is expressed in the motion for a resolution which will accompany the first reading, and on which — I know full well — some people's support for the compromise package suggested by the rapporteur depends. As before, if the Assembly ratifies that intention in the House on Thursday, it will at a single blow destroy all the initiatives, and therefore all the approaches made by the Presidency to the various member governments recently, with the aim of reaching an honourable compromise. It would also create a precedent which would have considerable repercussions in public opinion, at a time when, at a more general level, the Assembly is claiming the right to be directly involved in the legislative process of the Community.

Juncker

I therefore have to ask you to do everything you can to avert this danger, which could very quickly turn into a trap for the very people who created it.

I do not want to end, Mr President, without paying tribute to the efforts being made at this moment by the President, Mr Pflimlin who has just invited President Delors and myself to talks between the Presidents of the institutions directly involved. I accepted the invitation at once, of course, and if the President of your Assembly had not taken the initiative, I would have approached him to arrange such a meeting as soon as possible. I am convinced that the best way of putting an end to our problems is through dialogue. I confirm, if there is any need, that the Presidency continues to be motivated by that desire. On that basis anything is possible. I dare to hope, Mr President, that my appeal has not just been politely heard and that you will provide me with proof that it has been heard.

Mr Christodoulou (PPE), *general rapporteur*. — (GR) Mr President, I wish to thank the President of the Council for the goodwill which he has displayed, although I must say that on certain points there are various differences of interpretation which I would be glad to see settled during the three-part debate.

In particular, I wish to refer to the three points which the President of the Council touched upon. First of all, the question of the percentage increase in non-compulsory expenditure. I think that it was made clear from the outset by both the Commission and by the Parliament's Committee on Budgets, and I believe by the entire Parliament, that in discussion and analysis of the 1986 budget, the question of enlargement and of past commitments are considered as purely temporary factors, and precisely because of this are not included in the area of estimated increases. If we prescind from these two elements, — which, I repeat, are seen by us as temporary factors — then the percentage increase is clearly within the limits established by the Commission in line with the Treaties. Now, if this constitutes an accounting item — if so, I might add that it is based on a somewhat different interpretation than that of the Council — then this is a matter which is willingly accepted for discussion in order for a conclusion to be reached, if possible. However, in the judgment of the Committee on Budgets the commitments (towards the two new Community members) which the Community has already assumed and which the Council has clearly accepted, and which — I repeat — no-one has disputed, are temporary factors which simply cannot be ignored. At this moment, we simply cannot cope with a Community of Twelve using the same criteria and the same features as we did for a Community of Ten.

The question of past commitments has been discussed in such depth that I do not believe this to be the appropriate moment for a full analysis. However, I should like to emphasize my satisfaction that the President of

the Council is taking on, at least partially, the responsibility for the turn of events which this situation has brought us. I should also like to point out in this regard that the view of the Committee on Budgets is that we must from now onwards have a long-term policy on Community finances which will achieve the recognition of the two arms of budgetary authority, so that we may take appropriate measures at the right time and avoid situations like those in which we have been embroiled this year, and so that we may deal with increased, accumulated demands which, I must point out, cannot be ignored. I am absolutely baffled by the existence, at this stage, of a proposal that we should ignore the commitment which the Community has amassed, and which it should meet.

With regard to the second part of the remarks made by the President of the Council concerning the guidelines adopted by the Parliament for the 1986 budget, I would like to say that we have kept strictly to the bounds we set. If the Minister were to see the totality of amendments adopted by the Committee on Budgets during its meetings, he would realize that they fully accord with and support the basic questions, that is, unemployment and world hunger, as well as the similarly crucial question of support for research and technology, with an initiative to stimulate recovery in Europe. I think this would become clearer if I were to provide a brief analysis of the amendments adopted by the Committee on Budgets.

Concerning the specific and rather sensitive issue of the use of Parliament's margin for manoeuvre exclusively for new policies, which is a general policy of the Parliament, I do not believe this to be a matter which can now raise the slightest objection. The parliamentary margin is far too small to be capable of playing a significant or essential part in the solution of such major problems as the commitments created by enlargement or arising from past obligations. The Committee on Budgets decided that it should suggest to Parliament that instead of wasting this amount — and I underline the word 'waste' — on a participation which is far too limited and insubstantial to mention in the resolution of two very major problems, it should continue to provide the correct directions for new policies adopted by Parliament.

Lastly, on the equally sensitive matter of the decision that Parliament should maintain the same position during the second and third readings, I would like to suggest that a misunderstanding has possibly crept in here. Firstly, I ought to stress that if Parliament had had the intention, after the Committee on Budget's report, of 'haggling' — an activity which is quite unseemly within the context of the European Community — it would not have reduced the Commission's proposals. The Commission's proposals to meet the burden of the past, that is, commitments which the Community entered into in previous years, are considerably higher than those adopted by the Committee on Budgets. The President, and his colleagues too,

Christodoulou

should bear in mind that many here in Parliament suggested that we should adopt the Commission's proposals exactly as bargaining position for the second reading. The Committee on Budgets did not deem it proper to approach such a serious matter with what could be described as a somewhat oriental negotiating stance. We felt that we should, from the outset, and on a rigorous and consistent basis, identify those credits which are absolutely indispensable for the proper functioning of the structural funds, since this is, Mr President, what is at question, and then when the amount had been approved, to satisfy ourselves that this amount really was as near as we could get to the minimum. I repeat; if we had wished to bargain unfairly, we could quite happily have accepted all the Commission's proposals just as the Commission said they had arisen during 1985, which would have increased the weight of past commitments still further, as Mr Christophersen can certainly confirm for us. On this basis, we could have proposed an amount far in excess of that which we have proposed. And then, of course, we could say that this was open to negotiations. However, I do not believe this is a valid method for institutions facing matters in a serious way. We reached a realistic conclusion, and we said that this conclusion, insofar as it was not shown by anyone to be incorrect — and here lies the room for negotiations — should be observed by us. There is not the slightest shred of evidence for any arrogance on the part of the Committee on Budgets or Parliament towards the Council of Ministers or the Commission. Quite simply, we achieved something we consider to be just. If the coming discussions reveal it not to be just, to be wrong, that the amounts we agreed are larger than required, or do not lie within our powers on the basis of current developments, then we shall gladly discuss the matter again. But what the Committee on Budgets emphasizes in the final paragraph of its motion for a resolution is that we feel this to be the correct amount and the correct basis, and that we are willing to enter into discussion. If we are persuaded that this is not so, then we shall take other steps. This is the basis on which we put forward our argument, and I want to make that as clear as I can to the President of the Council so that he will examine it in the course of the coming discussions with the same goodwill which has been his trademark thus far.

(Applause)

Mr Dankert (S). — *(FR)* Mr President, the speech by the President-in-Office of the Council makes a slight difference to what I was going to say, but I shall try to take what he has said into account.

I believe he started by overlooking a fundamental aspect of this budget debate: that is, that the budget cannot continue to be isolated from other Community policies. The budget can no longer be seen as an isolated sector. And that is what the Budget Council continues to do.

The Dutch Foreign Minister said — and I do not agree with his words, but he used them — that the Mediterranean countries have to be bought — he said, bought — into accepting the internal market. I find this an excellent example of the 'cohesion' of problems, and therefore of the need to use this budget to bring about the cohesion, which is just as fundamental for the peoples of the North as it is for the peoples of the South. And it is a problem which is overlooked.

President-in-Office of the Council, this budget is in fact already a North/South problem. The financing of the structural funds, which are fundamental to cohesion, must be guaranteed. The Budget Council refuses. Next year it will be even more difficult. I think that, thanks to our efforts, this budget must also lead us to ask ourselves whether we shall still be able to achieve a budget next year. Next year we shall be faced with the impossibility of obtaining a qualified majority, in any sense of the word, and therefore with fundamental frustrations. I am afraid that the budgetary approach of the Budget Council jeopardizes the great objective of this Parliament: the internal market. There is a direct link between them, and from that point of view I agree with what the Dutch Foreign Minister has said.

Furthermore, the volume of expenditure is too high, you said. I would like to agree, but we have been forced to demand a high volume of expenditure, for the simple reason that the level of own resources which the European Council has set is too low. We shall be unable to have any kind of budgetary policy as long as own resources are not increased. If you set the increase at 1.4% — which will barely suffice to cover agricultural expenditure — we shall have to trail along the burden of the past until the year 2000! This is the problem. We have to find solutions to the problems facing us now, without following the usual Community policy of every time putting off the important dossiers till later, with the result that Spain and Portugal will have to pay for other people's past burdens, to pay for the time when they were not yet members. That is an impossible situation, Mr President! Now that we have reached 1.4%, we must try to settle the problems which have to be settled. That is why I do not think the global volume of expenditure is too high. Not at all.

President-in-Office of the Council, you then reproach our Parliament with wanting to put the full burden of the past on the Council. In theory you are right. But, in fact, our Parliament told you that it was prepared to discuss the subject with the Council, provided the problems were sorted out before the first reading. Because the Council, as the prisoner of its own agreements on budget discipline, decided to settle the problems at the second reading. President-in-Office of the Council, that is not a proper way of applying Article 203. Either one tries to settle the problems at the first reading, or one does not settle them at all. And everyone does as they see fit. That is what happens. It is not our fault. We have several times

Dankert

declared our readiness to try to resolve the problems at the first reading. Because as soon as it is agreed that they are to be settled at the second reading, there is no longer any budget procedure as such, and year by year we shall be faced with increasingly difficult problems. The fault is yours. You accepted budget discipline, you decided on budget discipline, it is your only management tool. Now all that anyone in the Budget Council can do is to take a calculator line by line — that is what happened in the Budgets Committee — in order to add on the poor little lost percentages. There is no longer any budget policy: there is the calculator, for every line, to see the financial consequences of the decisions taken. That is not budget policy, it is impotence!

According to you, the solution is to be found in the second reading. But that goes against Article 203 and I am not in favour of this procedure, because if the Community wants to survive, it has to follow the rules which have been laid down. That is essential to the proper operation of the budget process. That is why, this time, I do not see why you accuse Parliament of an attempt, you called it 'determined', to make the Council shoulder the burden of the past. The Council is the source of that determination, not us! And the Council, in its impotence, has 'forced' that procedure, has acted contrary to the procedure. The Council forced it, and I do not see how, despite your efforts to find an honourable compromise, we can reach such a compromise. You also say that we run the risk of jeopardizing your policies. I am sorry, but we are not the Council, we are the other arm of the budgetary authority. It is for you, President-in-Office of the Council, to make sure that the budget procedure can work. We are outside it, there is nothing we can do. When we want to talk to the Council, it does not even want to talk any more, because it is *incapable* of talking. What people call a 'budget dialogue' is in fact a conversation between deaf men.

President of the Council, you stressed that Parliament's intention of repeating at the second reading what it is going to decide at the first reading is a dangerous one. I can understand that that makes the famous dialogue between Parliament and the Council somewhat difficult and that it creates some internal problems within the Council, but, as I said just now about the burden of the past, and about the direct link between the Spanish and Portuguese problem and the burden of the past, as the Commission has pointed out on many occasions — the Commissioner, Mr Christophersen, even said it yesterday in connection with the minimum — Parliament is in the process of submitting a package which remains *below* what the Commission regards as essential for next year. We are required to record in the 1986 budget the amounts which will make it possible for the Community to work! And if the only way to do that is to force you, the Council, possibly by taking the matter to court — that was said yesterday — then we must try — if you do not want to do it, then it is our responsibility — we must try to

continue to make the Community work. Too bad for those who do not want it! We can see the consequences quite clearly. I believe that the probable effect will be to make the ones who run the risk of being the victims of the Council, namely, Spain and Portugal, take a more active part in the budget debate than they have been able to do hitherto. I think it important that their voices be heard as well.

(Applause)

Mr Ryan (PPE). — Mr President, I believe that Finance Ministers should be spoken of, and to, with respect. There is, of course, a corollary to this, and that is that Ministers should act in a manner which commands respect. I am sorry to say that both this year and last year the Council of Ministers — particularly the Finance Ministers — have acted in a way which is both illegal and irresponsible and indicates to me that they are inimical to the whole concept of Europe. One must consider that they are either ignorant of their legal responsibilities or incompetent. You could not even trust them to be treasurers of a village football team. If by some misfortune they became treasurers of a village football team, two to three players would appear on every football pitch without jersey, knickers, socks and shoes, to the great discomfort of the players and the embarrassment and scandal of the spectators.

Mr President, this morning our esteemed President-in-Office, Mr Juncker, spoke as though Parliament alone was responsible for the size of commitments, or what is called the burden of the past. I want, however, to point out that these commitments could not have been entered into without the full vote of the Council of Ministers.

Year in and year out they have voted for these commitments. As many speakers have said — and Piet Dankert has just said — the Council is a part of the budget authority and cannot run away from its responsibilities. It created those commitments of the past just as much as Parliament did. They are a legal obligation and must be paid. Many Member States have engaged in expenditure in the legal expectation, and the rightful and moral expectation, that the money they have spent will be refunded by the Community. Those debts must be paid and paid quickly, not put on a back burner for payment sometime in the distant future.

The Council itself has also created the obligations of this Community towards Spain and Portugal. It entered into the international treaties which led Spain and Portugal into this Community. Now the budget that it presents takes money from these new and poor Member States and does not give them a proper return. It is a despicable act. Politically, it is deplorable to act in such a way towards new members, to insult them when their foot is barely on the threshold. The

Ryan

truth is that the Council of Ministers, and the Ministers for Finance in particular, have once again disgraced themselves.

One wonders whether the Ministers set out to provoke Parliament. Do they want a dispute? It seems to me that they must, because they knew in their heart of hearts when they presented that draft budget that there was no way that this Parliament would accept it. We rejected a budget last year that was similarly flawed. There was no way in which this Parliament could accept it this year. Mr Juncker asked us to pity the poor Ministers in their own countries because they had their own electorate. I would remind the President-in-Office and the other Ministers that we have the same electorate. We have our duty to our electorate and we are not going to be made fools of by the Council of Ministers.

You take the Regional Fund. There are rumours flying about that, inadequate as the proposals are, they are going to be even worse next year. But the gap is widening between the rich and the poor regions in this Community, and the difference will be even greater when Spain and Portugal join.

I do not know the attitude of all countries, but I do know the attitude of the United Kingdom. It is that the entry of Spain and Portugal means that all other countries in receipt of money from the regional, social and other structural funds must suffer a reduction in order to accommodate Spain and Portugal. That was not the agreement before Spain and Portugal were accepted as members of this Community. The reason why the ceiling of 1% VAT was raised was to accommodate the new members without inflicting pain on countries that are already receiving inadequate assistance under the regional, social and other funds.

Mr President, on a small point, I have to take to task my revered colleague, Mr Louwes. He spoke about the proposal of the Committee on Budgets to increase by 1 million units of account the payments for visitors groups. He said that this was to accommodate the entry of Spain and Portugal to the Community. I would remind him that he was taken to task in the Committee on Budgets about that. It was pointed out that that extra expenditure was already included in the draft budget. That increase is primarily in respect of Ireland and Greece, two countries on the fringe of the Community, because of the enormous costs that arise when people from those countries come to visit the institutions of the Community. I would merely point out, as a justification for a substantial increase, that the present allowances for visitors to the Parliament were fixed in 1978. Since then there has been an increase of more than 200% in air fares, and you cannot get off an island without coming by plane or by boat — and the boat takes too long.

Mr President, I want to deal briefly with the question of own resources, which is the legal property of the

Community and nobody else. Six Member States include the own resources of this Community as part of national revenue. It is no such thing. The time has come when we must insist that the 1.4% of value added tax, or whatever the appropriate percentage is, should not be included in the budgets of Member States as part of the national revenue, then to be given in the generosity of the Member State to the Community. It is the property of the Community, and it should appear as such and never be described as anything else.

Mr President, my final remark is this: the Council of Ministers knows the attitude of this Parliament. It is not going to be trifled with. There are many difficulties that Parliament can create for the Council, but it has no wish to do so. However, if the Council continues to treat this Parliament — the directly elected Members and representatives of the electorate — as it is doing at the moment, we *will* create difficulties for the Council. This is not what we want, but it will be the Council itself that will have brought about that situation.

Remember, there is a great difficulty facing us and it is this: if we do not pass an acceptable budget before December of this year, then next year we will have to operate the one-twelfth system. However, it will be one-twelfth of a budget for 10 member countries and it will have to do for 12. This will be a crisis situation, and it is the Council and the Council alone that will be responsible.

(Applause)

Sir James Scott-Hopkins (ED). — Mr President, it really is rather sad to see the House so badly attended, as it has been almost throughout this budget debate. That is quite the normal thing unfortunately here. I have been on the Committee on Budgets, or attended budget debates now since 1973 and I have never seen one where there has been such a mess and such a conflict of interests as there appears to be this time. I was really appalled by the President-in-Office's speech this morning: inflexible, unyielding and, if I may say so, frankly stupid. But then I suppose he has very little room for manoeuvre until he meets his colleagues.

And there can be no doubt that the mistakes have been made on the Council's side. But I ask myself why this is so. Are they really just bloody-minded or are they incompetent and stupid? I know one of the President's colleagues very well: he's certainly not stupid and he certainly is not incompetent. So one is bound to conclude that it must be sheer bloody-mindedness on the Council's part, presumably to teach Parliament a lesson and to bring the new Commission and the new Commissioner to heel and force them to obey the Council's ruling. What a foolish, foolish thing to do, particularly at this moment in time! If this is so, then the President really has got to go back to his col-

James Scott-Hopkins

leagues and say that Parliament just will not accept it — because it will not. The way he is leading us is not towards conciliation but towards, yet again, another rejection. And I cannot believe that that is what he wants or what the House wants or what the Council wants.

He says we have put down a 36% increase in the budget — sure we have, but entirely because of him. Our own room for manoeuvre, the *marge de manoeuvre*, is 217 million ECU. We have stuck to that. It is only because he and his colleagues have not honoured, as everyone else has said in the debate up to now, the promises that *they* have made to Spain and Portugal, the promises that have been made by his predecessors and the Commission and Parliament on commitments in the past — which means that if they are not honoured now and in the near future, then all of our constituents are going to suffer because the bills are not being paid — that we are in the mess that we are in at the moment and that we have had to go to 36% rather than 7%. We have stuck — and I congratulate our rapporteur on this — very rigidly to the 217 million ECU and this is absolutely right.

There are one or two very small points that I want to make very quickly. I think it is absolutely right that our concentration in our own room for manoeuvre should be in the development area. I think we have done extremely well there, adding around 70 million ECU, which is dead right. But there is one point that I hope the Commissioner, who was very outspoken last night upstairs in the Committee on Budgets, will repeat down here when he comes to talk again in this budget debate. He said that those employees of the Commission who are not permanent, who are employed on the Development Commissioner's work in the ACP countries, and particularly in Africa, would be given permanent status in the coming years. I hope he will repeat that quite clearly down here. Then again I believe that our concentration on our research and development programmes was quite right too.

In conclusion, I come back to what the President said. I do not believe he wants a rejection of this budget. I hope that when he meets his colleagues, he will be able to find some method of persuading them to adopt the approach we want. He must honour his promises to Spain and Portugal. Okay, let us compromise if you wish over the weight of the past, the *poids du passé*. Alright, let's do a little bit of negotiating there. We have cut it down by half from what they asked. Perhaps we can move a little bit more, but my goodness, not much. So I really ask him to be an honourable man, as I am sure he is, and persuade his honourable colleagues to accompany him along Parliament's road.

(Applause)

Mr Chambeiron (COM). — (FR) Mr President, the Council's approach to the budget appears to be cha-

racterized by two tendencies. The first is to set little store by the other arm of the budgetary authority, and the second is to present incomplete budgets. I believe it is always perilous to persevere in a mistake. Having said that, I should like to make a few comments and to put forward some suggestions about this draft budget.

Throughout the discussions on the enlargement of the Community we have emphasized the cost of Spanish and Portuguese accession, a cost on which neither the Commission nor the council has been willing to set a figure. And so, even before accession becomes effective, our fears are confirmed by the proposal of a shrunk budget for an enlarged Community. Some Member States refuse to bear the cost of enlargement, whilst wanting to enjoy the benefits offered by the prospect of new markets. These Member States intend that the cost, which can be put at around 3 000 million ECU in 1986, is to be borne primarily by farmers in the Mediterranean regions, by way of stirring up trouble among the poor in order to derive the maximum profit from them.

I also see that once again Great Britain has the satisfaction of a 1 600 million ECU reduction in its budget contribution, i. e. 60% more than in 1985.

Might I point out that at the Fontainebleau Council we were told that the subsidy to Great Britain was to be provisional and degressive. As the delegation from the National Assembly to the European Communities rightly points out, exactly the opposite is happening. The rate of call-up for VAT for Great Britain is 0.74%, whereas that for France, to give an example, is exactly double: 1.37%. This reduction is all the more intolerable because it has just been revised upwards on the basis of estimates which one would like to have clarified slightly. Are we in the process of repeating the 1980 and 1981 transactions, which allowed Great Britain to receive excess payments of 1 000 million ECU by virtue of erroneous statistical estimates, which it subsequently refused to pay back into the Community budget?

What blindness has overtaken the other Member States, that they ratify such privileges? It is in order to put an end to this unacceptable situation that we have proposed in an amendment that the rate of VAT be genuinely uniform, i. e. the same for all Member States. We are also proposing that for 1986 the ceiling of 1% should not be exceeded, because the accession of Spain and Portugal to the Community has still not been ratified.

We, in fact, continue to believe that it is possible for new revenue to be fed into the Community budget without supplementary calls on the national budgets, particularly if there is greater respect for Community preferences, waiver of which, according to the Court of Auditors' calculations, costs between 2 000 and 4 000 million ECU, or the equivalent of 0.1% to 0.2% of VAT.

Chambeiron

How can we allow the Council to abandon 200 million ECU of receipts this year — the equivalent of Parliament's margin for manoeuvre — by anticipating by a year and without any counterpart entry of Tokyo Round reductions in Customs duties?

If Great Britain comes out of it well, the same cannot unfortunately be said for my own country, which is going to have to carry the heaviest burden. Its final contribution to the Community budget is going to increase by 10 000 million francs, a rise of 27%, to the detriment of national solidarity. Moreover that burden will get heavier in the next few years, and France will become an increasingly important net contributor.

We sympathize with the general approach of the Committee on Budgets, which is calling on the Council to express its political commitments through the budget, particularly where enlargement and the burden of the past are concerned. But we do not agree to confine ourselves to this point of conflict with the Council alone, even if it is an essential one. To a certain extent that would be to fall into the trap which the Council has set us and which is intended to conceal all the other problems. We must be able to see the wood despite the trees, and we still want to give the Community budget another direction, so that it makes an effective contribution towards checking the crisis, instead of being a means of keeping up with it. That is the object of our amendments.

In the agricultural sector, we want to break the absurd and unjust yoke of budgetary discipline and to help rebalance the CAP by making it fairer and more equitable. The Council's blocking of food aid at 1985 levels is particularly intolerable at a time when there are increasing cries of alarm in the face of the worsening food situation in the developing countries. Substantial credits must be released, to increase and diversify food aid, to build up emergency reserves and to improve the transport and distribution of products to beneficiaries.

The Committee on Budgets has taken a step forward, particularly in the case of transport, but to our minds it is still inadequate in view of the extent of the need. Let us not plead budgetary difficulties, when we know that the reduction in the British contribution alone represents three times the total for Community food aid. Budget restraint is none the less real, both at Community level and in the Member States. It requires detailed consideration of how Community credits are to be applied. Efforts have already been made to bring about greater efficiency in the structural funds. Those efforts must continue in order to achieve a better definition of the criteria for awarding and using Community credits, so that they foster economic recovery and employment, instead of being squandered. On this point, the attitude of certain colleagues who refuse to incorporate in the budget the resolutions they have voted in the House is rather surprising. There are many examples of this, but perhaps I could, very quickly, mention one of them.

In 1984 our Assembly adopted a resolution calling for the renewal of the shipbuilding industry by favouring ships purchased from EEC yards. The general outlines of this resolution were incorporated in an amendment. Imagine my surprise in the Committee on Budgets, when the very people who had supported and voted for the resolution rejected our amendment! It was pure vote-catching. One cannot forget one's previous speeches whenever there is any question of giving a previously defined policy concrete form by means of a budget line.

As for the more political aspects of this budget, we welcome the adoption by the Committee on Budgets of our amendment to put in reserve all credits to Turkey. On the other hand we regret that the same determination was not shown in terminating imports of coal from South Africa. We would like a majority of our Assembly to decide to sanction South Africa and its apartheid policy by blocking imports of coal.

Those, Mr President, are the comments and proposals which I wanted to put forward on behalf of the French Communist and Allied Members. As you can see, our attitude to this first stage of the budget procedure is both critical and constructive.

Mr Lalor (RDE). — Mr President, the history of this Parliament is littered with budgetary crises, large and small. They could be said to be part and parcel of the decision-making process in the two arms of the budgetary authority, and the 1986 budget is, unfortunately, no exception.

For 1986 the Council has given this Parliament an impossible task by presenting a pathetic and manipulated travesty of a budget. I predict that unless the Council comes to its senses and faces its political responsibilities, we shall be faced with a budgetary crisis without precedent. We have known for some time that enlargement to include Spain and Portugal would become effective from 1 January next. We have been awaiting with impatience, I might add, the raising of the VAT ceiling and the new financial resources of the Community. We had expected that the introduction of these two elements would coincide on 1 January next, and we had received assurances that all would run smoothly from then on and to plan. Then fell the verdict, to the stupefaction and dismay of all of us, on 18 September last. The Council established a draft budget which was, and which, if implemented, would have disastrous consequences for existing Member States — not least for my own country, Ireland.

Need I remind the House that it was the Council that concluded the negotiations on enlargement? It is the Council that fixed the methods and the means, and now the same Council is refusing to pay. Yet again, political decisions are being taken by the Council, which then goes on to refuse the financial means necessary to implement those decisions.

Lalor

On very many occasions in the past, I have had big bones to pick with the Commission on budgetary matters. With one highly important exception, which I will come back to, I concede that this year the Commission has carried out its obligations pretty much to the full. The preliminary draft budget did take account of new resources, did take account of enlargement, did take account of the burden of the past and did take account of new policies.

I regret to say that I am disgusted with the Council's response to the Commission's proposals: a reduction of nearly 40% in the Regional Fund; a reduction of 40% in the Social Fund; a reduction of almost one half in the Integrated Mediterranean Programmes; and as for the EAGGF, I shall have something more to say.

Let me be quite clear, because there is no doubt in my mind, that the Council is asking the existing Member States to pay the price by accepting inadmissible cuts in vital funds which will without doubt be disastrous. Regional disparities — and surely to goodness we have enough of them — will increase even more. Disadvantaged areas will be further condemned, and as for our efforts to attack the unemployment plight, we shall all be ridiculed in the eyes of the people of Europe. If the Council persists in its attitude, then I have simply one word of advice for it: resign — all of you, get out!

I mentioned earlier that I had one serious contention with the Commission. In my opinion the Commission has anticipated a price freeze for the 1986-87 marketing year. It has shown that its discussion paper on the future of the common agricultural policy is, in fact, at the draft regulation stage in their minds. As I see it, to add insult to injury, the Council has not only fallen into this Machiavellian trap, it has also found it necessary even to reduce the Commission's provision for the EAGGF for 1986.

It is frighteningly clear to all of us who are attached to the common agricultural policy — and I may say that the entire European Democratic Alliance Group is proud to be counted among those supporters — that the entire future of the common agricultural policy, the cornerstone of the Community, is now more compromised than at any time since its inception. A short 12 months ago, the Commission told us that a tax on oils and fats would create revenue amounting to approximately 550 million ECU which would more than cover justified farm price increases. This project has now been shelved by the Council. Unilever and others can be very well satisfied, and the Council should feel quite ashamed.

I invite this Parliament to show that it is serious about the future of the common agricultural policy and the future of this Community by adopting the amendment tabled by my group seeking to introduce a tax on oils and fats and thereby create vital revenue. I invite this House to support an amendment by the European

Democratic Alliance Group seeking to provide the necessary funds for the 1986-87 farm price review and connected measures. We are being told that there will yet again be a supplementary budget to cover farm prices, an obligation under the Treaties, for the coming year. In view of the Council's behaviour and attitude to date, I am more than sceptical and I urge that we vote this week to provide the necessary funds for the farmers of our Community. This Parliament is an equal budgetary authority, and I move that we have an obligation to the people to fulfil our duties, even if the Council is lacking, and that means, among other things, a duty to provide adequate resources to meet the needs of farm price expenditure. For all those reasons, we in this Parliament have a duty and an obligation to reconstruct this entire budget.

Mr De Vries (L). — (NL) Mr President, for the first time in years this could have been a budget of reconciliation, because the problem of the British contribution in 1986 is not under discussion — or not yet, I should say — because the increase in own resources has given our Community some elbow-room and because the Commission has submitted a realistic preliminary draft, which does not, moreover, provide for an excessive increase in agricultural expenditure. We thus had every reason to hope that this budget debate would proceed in a less acrimonious atmosphere than has been the case in the last few years.

Unfortunately, the draft budget reflects anything but a conciliatory attitude. Once again the Council is attacking Parliament's budgetary powers. Once again the Council is looking for a fight. Parliament is once again accepting this challenge. We have no other choice. Because let us make one thing quite clear, Mr President: if the Community is again plunged into a budgetary crisis in 1986, it will be because the Council is not prepared to budget responsibly. Unlike ourselves. At this reading we are therefore doing the work the Council should have done: establishing a budget for twelve months and for twelve countries.

The pending conflict is essentially due to the way in which the Council uses the term 'budgetary discipline'. We of this Parliament are not opposed to budgetary discipline as such. We have said so often enough, in the report that bears Mr Dankert's name, for example. But we are opposed to budgetary discipline if it serves as a disguise for measures that undermine our budgetary powers. I will give you two examples to illustrate this. Firstly, at the Dublin Summit on 3 and 4 December 1984 it was decided that the Council should receive a parliamentary delegation every year, before the reference framework was adopted, and that the Council should invite the Commission and Parliament to consult with it on budgetary discipline. And yet in July of this year, without any regard for the decision taken by the Heads of State or Government, the Budget Council adopted the reference framework for 1986. On 14 July the President-in-Office of the Coun-

De Vries

cil, Mr Poos, wrote a letter to this Parliament in which he says that this — and I quote — *par sa nature ne pouvait engager que le Conseil*.

To give a second example of how our powers are under attack: even the Council's unwillingness to engage in serious consultations with Parliament is evident from the draft budget. Nothing would have been more logical than for the Council to invite us to discuss a new maximum rate of increase. The Treaty provides for this — as Mr Juncker told us at a recent part-session — but a qualified majority could not be found in the Council to support such an invitation. Budgetary discipline is thus exercised unilaterally: the 7.1% for non-compulsory expenditure is inviolate. The Council can, of course, only do this by ignoring past costs and the cost of enlargement and by submitting half a budget. That is, of course, very shoddy, and the Council therefore says it wants further detailed discussions on the *poids du passé*. After Parliament's first reading, it should be noted. And the cost of enlargement? Oh, we can settle that at the second reading. This in fact means that the Council is missing out the first reading of the budget. It is leaving that to Parliament. A classic example of *détournement de procédure* and a classic example of undermining Article 203 of the EEC Treaty.

Might I point out in passing, Mr President, that it would have befitted a country like the Netherlands, which likes to see itself as a champion of the European Parliament's powers, to vote against all this. But clearly the objections at No 7, Korte Voorhout were too strong for that.

Mr President, I come to the *poids du passé*, the burden of the past. We have already had a wine lake in Europe, and we have already had a milk lake. Now we obviously have a debt mountain as well. I feel we should be grateful to the Commission for drawing our attention to this debt mountain. The Council is, of course, right in saying that this debt mountain is the consequence of action taken by both Parliament and the Council. The Council is not entirely to blame. But I must say to the President-in-Office that Parliament is not entirely to blame either, as he has just tried to suggest. You criticize us for wanting to solve this problem. There are two answers to that. Our rapporteur, Mr Christodoulou, has given you the first: we have not gone as far in our approach to the *poids du passé* as the Commission asked us to. The second answer is that you too have a duty to give this problem the attention it requires. You are avoiding it. You are refusing to do your duty. We are not. In some ways we are doing your work for you. And the amounts concerned are not inconsiderable, over 12 million ECU, some 4.4 million of which should be financed from the 1986 budget.

Let me make it clear once again why it is important for us to address this problem at this particular time. As a result of the increase in own resources, we still have

some scope this year, 1986. If we do not take advantage of this, the settlement of the outstanding debts will place so heavy a burden on the Regional Fund and the Social Fund that there will be hardly any scope left for new policy. This is, in fact, already the situation where the Regional Fund is concerned.

Secondly, we must do so, Mr President, because the people implementing projects financed with resources from the two Funds have been waiting for their money for years. The final payment for projects implemented in 1984 has already been deferred until 1986. That is unacceptable. It is bad for the Community's image, and it does harm to third parties.

I am coming to the end, Mr President. Budgetary discipline should be exercised primarily where agricultural expenditure is concerned. That is where the real problem lies. Less emphasis should be placed on guaranteed incomes through prices and more on direct incomes support, as the Commission's Green Paper says. But, Mr President, the Commission as a whole must then stand up for its Green Paper. We gather from the press that the President of the Commission, Mr Delors, has tended to dissociate himself from his Agricultural Commissioner from time to time. I do not think that is good for the Commission's position. Mr Delors would do well to stand four-square behind his Agricultural Commissioner. At this time it is particularly important for the Commission to present a united front in this matter.

IN THE CHAIR: MR LALOR

Vice-President

Mr Van der Lek (ARC). — (NL) Mr President, the budget is, of course, very important, but I must say that we for our part consider it absurd that this Parliament should not have the opportunity for a month of making statements on current events, such as the summit meeting in Geneva or the alarming and horrific developments in South Africa. The budget is not worth that. Having said that, I shall now turn to the budget.

I made our position on the budget quite clear in October. We believe even the Commission's proposal got many of the priorities wrong: an increase in scale in agriculture rather than support for small farmers; emphasis on large-scale energy and nuclear energy rather than energy conservation and protection of the environment; technology in the service of competition rather than the people; emphasis on power rather than support for the weak. But, Mr President, the Commission's proposal was the bare minimum needed to enable the Community to perform its tasks, and the Council's counterproposals were completely unacceptable.

Van der Lek

As has often been said, the Council's proposals take no account of the accession of two new countries, into which the Council itself put a great deal of effort, they provide no scope for the social and regional policies that have been adopted, and they contain absolutely nothing for new policy. Parliament therefore rightly demands that resources be reinstated for these tasks at least. I find it regrettable that Parliament is not going any further in this respect than what the Commission has proposed. Because even this proposal leaves the Social Fund precious little scope to give real help, and there is no scope in the Regional Fund for anything to be done about the genuine redistribution of incomes and prosperity. And another thing that is very bad: the amount earmarked for development cooperation is the lowest for many, many years. Mr President, a budget like this, even in the form proposed by the European Parliament, will contribute nothing to what the European Community claims it is trying to achieve.

I assume everyone knows that we of the Green-Alternative European Link in the Rainbow Group want this Community to pursue a completely different policy and therefore to adopt a different kind of budget, but this does not alter the fact, Mr President, that what Parliament is demanding represents the bare minimum at this time and that we would consider it unacceptable if the Council did not agree. That would be a disgrace for this Community.

Mr Dimitriadis (DR). — (GR) Mr President, the 1986 draft budget of the European Communities, as drawn up by the Council of Ministers, appears to be in blatant contradiction with the basic principles governing current Community policy, the policy which results from the implementation of the basic principles of the Community as laid down in recent years by the political groups.

Basic principles such as the convergence of economies, structural policies, technological progress, the common agricultural policy, market support, the reduction of regional imbalances and enlargement, in favour of which the political will of this Parliament was recently resoundingly expressed, are ignored by the inconsistent reductions made in the draft of the Commission of the European Communities.

How is it possible, with these reduced credits for the various agricultural sectors, for us to make any progress towards the significant targets set in this field? For a number of years, despite inadequate credits, great importance has been attached to regional convergence, within the framework of structural policy, and to programmes for the improvement of agricultural structures. Such regional convergence should be backed in a specific way: the Guidance Section. Products of which there is a shortage should be supported and those producing surpluses should be reduced by suitable means.

The Integrated Mediterranean Programmes, which represent the translation into deeds of the Guidance Section towards the improvement of Mediterranean regions, have been cut by the Council of Ministers. The importance with which the European Parliament recently invested the area of research and energy has not been reflected, although the cuts in this sector are not heavy.

With regard to employment, the Committee on Social Affairs has said forcefully that the role of the European Social Fund is being so undermined by the Council of Ministers' reductions that it cannot fulfil its basic function in combating unemployment.

In the area of regional policy, the Council of Ministers' cuts point to a significant reduction in the role of the European Regional Development Fund.

The Group of the European Right, together with the other political groups, attempted, through a series of amendments, to help in the elaboration of a budget within the framework of the policies adopted by Parliament, the importance of which in Europe's progress is decisive. But even the adoption of an amendment to provide the means required for the preparation of a Community family policy, which would be of long-term benefit, could not be achieved under the conditions imposed. This is despite the fact that the preparation and implementation of a family policy is essential in a Europe which is heading towards decline and decay.

Mr President, it is the duty of the European Parliament to draft a budget which basically corresponds to the policies laid down previously. This duty arises from the Community's movement towards the European Union, towards the Europe of Nations. The work on behalf of the parliamentary committees on their various areas of responsibility is significant, as is evident from the opinions presented and supported yesterday.

We hope that the compromise on requirements, within the structure already set by the general rapporteur, will provide a realistic budget so that the European Community can make effective progress towards realizing the great goals which it has set itself.

Mr Ulburghs (NI). — (NL) Mr President, this report brings such absurd situations to light that I sometimes do not know whether to laugh or cry. There has never been so much hunger in the world, and yet I see from the budget that large sums are being spent, for example, on the conversion of milk and milk powder into skimmed milk powder and feedingstuffs for calves and then on the storage of the resulting veal. And the rapporteur expects me to approve of this.

Nor has there ever been so much unemployment and despair among the young people of Europe, particu-

Ulburghs

larly in the backward regions. There is still so much hardship to be alleviated. How has this situation arisen? I feel that this budget is the mirror image of the economic and social philosophy underlying it. The reasoning is simply this: let us produce as much as possible even if production is sometimes useless, superfluous and harmful to the environment. A start must then be made on a gradual reduction. The philosophy continues: the more that is produced, the more crumbs will fall from the table of the rich for the poor to eat. But this philosophy is invalid. The number of poor people is growing, in both the Third World and Europe, and the crumbs are becoming scarcer. Just look at the cuts in unemployment benefit and social security. The budget should therefore be based on the opposite philosophy, one that begins with the needs of the poor, both in the Third World and here.

I should like to emphasize two aspects in this connection. Firstly, there should be a reasonable agricultural policy. This presupposes reorganization geared to ecologically acceptable production, preferably to meet the European market's own needs. This will benefit public health and employment. The millions of hectares of farmland lying idle because of the imposition of quotas could be used for labour-intensive agriculture, which is also less harmful to the environment and healthier.

The second important aspect is energy. Why does this report attach so much importance to nuclear energy, which has not proved its worth and, if its environmental and processing costs are taken into account, is far more expensive than the other sources of energy, like coal, which is still available in large quantities in Europe? I therefore feel the budget should provide more resources for, say, an energy fund to support the exploitation of indigenous, European sources of energy, such as the coal mines, including the weakest among them, like those in Limburg. A forward-looking policy of this kind would open the way for diversification, scientific research, industrial processing of waste and an environmentally acceptable energy policy.

My conclusions are that new agricultural and energy policies of this kind will, firstly, boost employment, particularly in the backward areas, secondly, encourage environmentally acceptable production, thirdly, be cheaper and put the future budget on a sound footing, fourthly, release more resources for the developing countries, and finally, make Europe less dependent on the two superpowers in agriculture and for energy supplies.

Mr Fich (S). — (DA) Mr President, I should like on behalf of the Danish Social Democrats to comment on the draft budget of the Council of Ministers and on the European Parliament's response to it. What is this draft budget, in fact, which the Council of Ministers has come up with? It is indeed a very strange one. It

consists of a series of figures plus a series of vague commitments, declarations which have been set down in relation to the budget. This draft budget from the Council of Ministers, which is not really a draft budget at all, was originally adopted by the Finance Ministers and has since received the support of the Foreign Ministers through their reiteration of these very vague commitments. Despite the fact that it was the Foreign Ministers themselves who entered into commitments with Spain and Portugal these commitments have not been endorsed in concrete terms in the budget. In addition, there has been no attempt to deal with the problem which the Council of Ministers has itself created and which has been called the 'burdens of the past'. I stress that it is a problem which the Council of Ministers has itself created, by releasing too few appropriations for payment compared with the appropriations for commitment previously accepted. My view therefore is that this problem rests with the Council; it is the council itself which must solve this problem of the sins of the past.

The Council of Ministers has finally adopted a maximum rate of increase strictly limited to 7.1% for payments. One might wonder why it should have to be 7.1%. Why not 6.5% or 7.5%? Because the Council of Ministers took a mathematical view of the problems and not a political one. The Council should have looked at the need for money instead of sticking to a particular percentage from the outset. Moreover, I think it appropriate to ask the question whether we can indeed apply the maximum rate of increase this year, since we do not have two comparable situations. We cannot compare a budget for 1985 covering ten countries with a budget for 1986 which is to cover twelve. I do not think that we can extrapolate figures from one situation to the other.

So, that is the proposal of the Council of Ministers. What is the reaction of the majority in Parliament to it? To begin with, we want to commit 217 million — which is what the Council thinks is the margin of manoeuvre — to the various sectors we normally commit money to. OK. Secondly, a sum of 450 million is to be spent in connection with the problems of enlargement; I agree with that too. But an additional amount of about 1 000 million is to be used for what is called the burdens of the past — but which I think it more appropriate to call the sins of the past. I do not think this is Parliament's problem; but, of course, I do see that it is a real problem facing the Community and I agree that we must try to solve it. But I do not think that the way Parliament has chosen is a solution to this problem. What is the scenario, if we take a look ahead? It is that we adopt these very large amounts in our first reading; the Council of Ministers makes cuts; we readopt them in our second reading; the President of Parliament puts his signature to the budget and we end up in Court. That way we shall not achieve the solution of the problems which was our original intention. I should like the majority in Parliament to have taken a different road. I should like us to have sought

Fich

an agreement with the Council of Ministers. Admittedly it would have been an agreement at a lower level, but still an agreement which would have meant progress in solving the problems instead of the outcome which now looks likely, in other words, we end up before the Court of Justice.

So, we are up against a brick wall, since there does not now seem to be any other way between the two strategies — the one the majority are following and the one I prefer. There is only one motion for an amendment; the entire strategy has been compressed into one motion for an amendment, which means that the more moderate elements in Parliament are not being given the chance of pursuing a more moderate line. Parliament is playing for high stakes: it wants all or nothing.

In commenting on the individual parts of the draft budget, I should like to draw particular attention to the letter of amendment which the Commission has sent regarding the repayment to the United Kingdom under the Fontainebleau agreement. It has not been debated to any great extent — but there is good reason to do so. For what is it that this letter of amendment says quite clearly and distinctly? It says that the United Kingdom must pay 252 million more in VAT because its contribution had been under-assessed. It must pay 252 million more. On the other hand it is to receive 264 million in repayment — in other words more than it has to pay in VAT. What kind of logic is that? It means in effect that the better off the United Kingdom is in future and the more it therefore has to pay in VAT, the more it will get back. On the other hand, if the United Kingdom instead got poorer and poorer, it would get less and less back in repayments. This is the way the Fontainebleau agreement works out, and it shows how absurd it is, what a botched job the Heads of State and Government did in Fontainebleau. I hope this will soon be realized, not just by Parliament but by the Heads of State and Government themselves. The system should work in the reverse direction — if we are to have a system at all. It should work in such a way that the worse off the United Kingdom is the more it gets back and the better off the country is the less it gets in repayments. But the Fontainebleau agreement is set up to provide for exactly the opposite.

With regard to the other headings in the budget, it is my contention that both the draft budget of the Council of Ministers and Parliament's motion for an amendment are too low in the fields of policy on the environment and the developing countries. We should have made a greater effort in both these areas, but I have to note that neither the Council of Ministers nor the majority in Parliament had sufficient will to do something in these two areas.

On the other hand, it seems to me that we have given too much in another field, namely, culture and education. I should like to remind you that there is no legal basis in the Treaty of Rome for activities in the field of

culture and education, that the appropriations in these fields are excessive and should never have been entered.

I should like to conclude by pointing out that what Parliament is shaping up for here is, of course, a confrontation. I cannot support this strategy. I do not think that Parliament's role is to launch into a budget battle with the Council of Ministers at every opportunity. I would have preferred it if we had taken a different road and instead had tried to solve the problems. Last year we managed, after quite a few rows, to solve the problem of the 12-month budget versus the 10-month budget. I think that it would be possible to accomplish our task this year too and get a budget for twelve countries instead of ten, but not with the strategy the majority here seem to prefer. I earnestly hope that Parliament will let better counsels prevail in its second reading, so that we can work out an agreement with the Council of Ministers which will ensure that on 1 January 1986 we have a budget for 1986.

Mr Cornelissen (PPE). — (NL) Mr President, as many speakers have already said, the budget submitted by the Council fails to honour, firstly, the agreements reached with Spain and Portugal and, secondly, the Community's obligations to third parties. I am referring to the unpaid bills amounting to almost 1 000 million ECU that will be presented to the Commission on 1 January.

This, Mr President, has come about — and I want to stress this — because the Council has upset the balance between commitment and payment appropriations in the last few years by refusing to reach intergovernmental agreements on the amounts needed over and above the 1% of VAT. The Council is now finding, of course, that it is itself having to shoulder the burden of the past.

Thirdly, Mr President, the budget that has been submitted leaves hardly any scope for new policy and new initiatives aimed at tackling a number of urgent matters — unemployment, to give but one example. It even lacks an initial financial impulse for participation in the much discussed Eureka programme.

Mr President, I must unfortunately conclude that this is a preposterous budget. It is no more than a book-keeper's enumeration, possibly compiled with the help of a pocket calculator, of a large number of items arrived at by applying an arithmetic factor to the 1985 budget. I fully appreciate that the economic and financial possibilities must play an important role in the establishment of the budget. Even the Community must cut its coat according to its financial cloth, but the budget should surely translate the policy that has been adopted into financial terms, and that is something we sorely miss in this budget, a policy that permits a European approach to tackling unemployment, the problem of the environment and the needs of the

Cornelissen

Third World. I hope the President of the Council can make it clear that the failure to seize this opportunity was not due to a lack of political will in the Member States, because that would signify a new and serious crisis in Europe.

Before I go on to consider the budget for 1986 in greater depth, I should like to say something about the years thereafter. It is to be feared that the problems will simply grow in the years to come. The government of almost every Member State faces the difficult task of reducing public spending. In this situation national governments and parliaments will be wary of increasing the Community's resources unless — and this is meant particularly for the Commission's ears — by so doing, they can reduce national expenditure.

In this connection I have two questions to put to the Commission. Does the Commission agree that we shall reach the 1.4% VAT ceiling in 1987 or 1988 at the latest? In view of this, is the Commission prepared to draw up a memorandum on substitute policy? By this I mean specifying national spending that would be better and more efficiently done at Community level. Its transfer to the Community would thus result in a reduction of national spending. Better value for money, in other words.

Mr President, to revert to the 1986 budget, the Council will realize that it cannot be approved by Parliament, at either the first or the second reading, unless drastic changes are made. We have a great deal of confidence in the Commission's preliminary draft, for which — I would remind the Council — three former Finance Ministers were partly responsible. And yet the draft budget amended by the Committee on Budgets is about 1 000 million ECU short of the Commission's preliminary draft. We have thus gone some way towards complying with the Council's wishes. I very much hope that the Council will take the hand Parliament is offering so that the problems can be overcome.

No one in Europe, I fear, has anything to gain from the rejection of the budget two years running. I therefore welcome the statement issued at the Christian-Democratic Summit last weekend on behalf of the Heads of Government of the Federal Republic, the Netherlands, Belgium, Ireland and Luxembourg and by the Deputy Prime Minister of the Italian Government. In plain terms they advocated that the Community should play a larger role in research and technology, in the policies on energy and the environment and in the development of the Third World.

Mr President, Mr Kohl, Mr Lubbers, Mr Martens, Mr Fitzgerald, Mr Santer and Mr Forlani now have the chance to translate their words into European deeds. I shall, of course, be sending them my contribution to this debate, and I shall be happy to forward to the President of the Council the press report that has

been issued so that he can use it in the undoubtedly difficult discussions in the Council.

(Applause)

Mr Mizzau (PPE). — (IT) Mr President, my speech will centre on certain observations made by the general rapporteur yesterday. Mr Christodoulou said that we must pay particular attention to the subjects of technology and research. The appropriations of 400 million ECU are not enough.

As the rapporteur said, the question at stake here is the need to give priority to the future — a theme to which he returned when speaking again later. Mr Mallet, rapporteur for the Committee on Energy, also argued that priority must be given to expenditure on research and technology, and referred to the advisability of concentrating our efforts on the development of alternative energy.

On 28 March of this year Mr Pflimlin addressing the Paul-Henri Spaak Foundation, said: 'I believe that the record of the common agricultural policy is positive on the whole . . . (but now) it is necessary to open up new horizons . . .' He then put forward a most interesting proposal: 'certain agricultural products, particularly corn ('blé'), could be turned into ethyl alcohol, the use of which as a fuel could go some way towards overcoming the problem of air pollution.'

On 13 March 1985, *Le Monde* carried the following headline: 'Mr Rocard calls for cereals to be used for industrial purposes.' On 25 October 1985, a whole page of the *Nouvelles d'Alsace* appeared under the exhortation: 'Put a sugar-beet in your tank', a headline which referred to demands made by French and German sugar-beet producers. While in the *Figaro*, an article by Edouard Thevenon warned: 'Petrol: corn versus lead.'

The Italian press also took up this theme. A typical article, which appeared in the *Stampa* on 10 July 1985, was headlined: 'Cereals in the EEC: could today's surpluses be tomorrow's strategic supplies?' Yesterday Mr von der Vring pointed out that 64% of spending comes under the Guarantee Section, and over 30% is allocated to agricultural surpluses.

Let us, therefore, consider how to reconcile, with a view to promoting development and employment, the twin objectives of (a) encouraging new technology, and (b) directing expenditure towards investment rather than aid or merely taking surpluses into storage.

Ladies and gentlemen, we cannot continue to spend money on the storage of surpluses at a time when our young people are crying out for jobs: we cannot continue to poison the atmosphere with petrol fumes without making every effort to reduce air pollution.

Mizzau

I believe that ethyl alcohol obtained from cereals and other agricultural products could now be a solution to the challenge set by (a) the new advanced technologies, (b) the need to tackle agricultural surpluses and (c) the urgent demand for new jobs. I know the objection that will be raised: that the costs involved would make ethyl alcohol uncompetitive with other fuels. But what does industry reply to this? Industry tells us to recognize the cost of exporting and storing surpluses and, taking account of the fiscal relief usually granted when new industries are launched, the fact that 15 million tonnes of cereals per year would be absorbed at once. The Community would not be burdened by further costs, and no new appropriations would be required; national budgets would incur no additional spending requirements and, even if they granted relief from tax, would only be foregoing something which they are not receiving at all at present.

I believe that the consequences would all be positive, whether in terms of:

- 1) new jobs,
- 2) fewer imports of oil into Europe, and hence less waste of foreign exchange,
- 3) 'clean' energy, or
- 4) the reduction of tension between the US and Europe over trade in cereals.

A recent news item ought to give us cause for concern: China exported a million tonnes of maize this year. China is entering the world market in competition with the US and Europe. What will happen in the not too distant future, when Russia too becomes self-sufficient?

Let us hope that the Commission has the courage to accept innovation without letting itself be manipulated by the wiles of the old-established oil companies. I know that petrodollars have dominated the political scene for many years now, but a new era is dawning, and I believe that ethyl alcohol obtained from agricultural products is yet another sign of things to come. We must act before it is too late, because as Mr Pandolfi, the Italian Minister of Agriculture, rightly pointed out: 'The last decade has witnessed other examples of reconversion, for instance in the iron and steel sector and the chemicals industry. We know the cost, but we must not forget the lesson.'

The question of ethyl alcohol needs to be settled urgently to enable us, in future, to include in the EEC budget a constructive item of expenditure which will reconcile agricultural and industrial production for the benefit of us all.

Sir Fred Catherwood (ED). — Mr President, I just have a mild protest to make first. When I left the

enlarged Bureau I understood I would be the next speaker — with neither you nor I at the enlarged Bureau meeting, goodness knows what they are going to get up to! When I arrived here, I found that you had called two Christian Democrats in a row, which I think is unprecedented. I have, therefore, put in a mild protest.

It is not easy, Mr President, for Parliament to respond to the Council's totally irresponsible first draft budget. This fails by huge sums to meet the obligations, both legal and moral, which the Community has undertaken to millions of its citizens. It is even more irresponsible — if that were possible — towards the two new countries that are joining us in a few weeks after years of very difficult negotiations.

Our problem in dealing with this continually changing secret and unaccountable group of Ministers called the Council, whose presidency changes every six months and membership every month, is that they have no continuity. Like the notorious Parisian house, their motto seems to be *sans hier et sans demain*. Therefore they can have no vision, no morals, no shame. They seem this year to have been an accidental collection of junior Finance Ministers sent to Brussels to look for cuts which would not cause troubles in national parliaments because the effects could always later be blamed on the Community. We note that the President-in-Office has disassociated himself personally from what they have done. I think all credit is due to him for doing so. The Council, of course, justifies its powers by pointing to its democratic base and the national parliaments. But our colleagues in the national parliaments are kept even more in the dark than we are. We at least know something of their doings — thanks to *Agence Europe* — but when national parliaments are asked to vote on Council decisions, with one or two exceptions, they know nothing at all.

Therefore, although we were all very much tempted — and I was very much tempted — to vote the Council's budget unchanged and leave them in their own appalling difficulties to solve them themselves, because they had created them, we really could not rely on their integrity to bring in a speedy supplementary budget, and our own position on a supplementary budget would be weaker than it is today. We also felt that it would be impossible for those who depend on the Community budget to throw it out, since the interim payments, the twelfths, would be based on ten Member States and not twelve.

We therefore believe that, despite the threats that the President — in a very different mood from the day he came to the Committee on Budgets with the budget for the first time — uttered today, the proposed restoration of the main items in the Commission's responsible preliminary draft budget is the best of the three possible alternatives. Although it undoubtedly breaches the agreement between the institutions, it maintains the legal commitments of the whole Com-

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munity, which for us, I think, is clearly far more important.

Mr Alavanos (COM). — (GR) Mr President, this year's draft budget is not just another draft from the Council of Ministers, but contains certain new elements determined by developments in the forward progress of supranational state monopolistic integration within the EEC.

Firstly, the 1986 budget is for an enlarged Community. However, just as in 1985 we had a budget of twelfths which actually covered 10 months, so this year we have a budget for a Community of twelve members which in reality meets the needs of only ten members. This signifies a contraction, a crippling reduction in appropriations, as much for the older as for the new Member States. The Community as a whole refuses to bear the cost of enlargement, which will weigh most heavily on the economies of the Mediterranean countries through increased competition. Indeed, we see a series of such developments in the budget, whether through increased distillation of wine, the 19.8% cut in appropriations for fruit producers, or the suspension of mesures for small-scale milk producers for the 1985-1986 period, etc. We really are not looking at this problem from a purely national point of view, and we cannot fail to condemn the Community's stance, which, after only a few months, is not honouring its commitments to the two new countries of the Community, expecting them to become net contributors, to the tune of approximately 730 million ECU — simply throwing its commitments into the rubbish bin. We recognize this same procedure only too well from our own experience in Greece.

Secondly, it is a 'financially disciplined' budget, as is shown principally by the agricultural price guarantees. Much is said about the level of agricultural price guarantees, but it should be understood that they represent less than 1.1% of the total of the budgets of the Member States and less than 0.8% of gross domestic product, while, for example, in Greece 27% of the active population is employed within the agricultural economy and 20% of GDP is centred on the agricultural sector. Here, we see that there is to be a reduction in appropriations at disinflated prices in the farming sector of 2.5%, and we continue to experience an inferior status for Mediterranean as opposed to northern products, which forebodes a very hard year for farmers, especially for small and medium-scale farmers.

Thirdly, it is a budget of increased own resources, since VAT has risen from 1% to 1.4%. However, instead of a mechanism which would step up redistribution of resources from the north to the south, as was favoured, we see the disparities heightened and institutionalized. Thus, while the percentage of Member State contributions has jumped to 1.36%, Great Britain now contributes 0.82% and refunds to Great Brit-

ain are increased by 60%. Greece in particular is faced with an approximate doubling of contributions. While last year the evaluation, based on the GDP, was 236.2 million ECU, this year the Greek contribution was calculated on the basis of VAT and amounts to 488.2 million ECU. Indeed, if agricultural contributions, the sugar contribution and returns on taxes are included, it reaches 660.6 million ECU, or approximately 85 000 million drachmas.

Fourthly, this budget is for the first year of implementation of the Integrated Mediterranean Programmes. In our opinion, this does not provide any cause for optimism, but rather reveals the emptiness of the words and the blatant nature of the cheating that surround the IMPs. The opinion expressed by the Committee on Regional Affairs is significant, stressing that 'there is a real danger that the IMPs will fail, through inadequate financing, to attain the objectives set, leading to bitter disillusion in the poorer Mediterranean regions'. It is equally significant that while 60% of IMP financing is said to come from the structural funds, instead of an absolute increase in appropriations for them as provided in the regulations, the draft budget proposed by the Council of Ministers foresees a drastic reduction in appropriations for the structural funds.

Overall then, we see the result of this budget as being: a widening rather than a narrowing of the gulf which separates the economies, new developmental problems for the less-developed Community nations, the adoption of a policy of austerity towards the working classes. Certainly, there is the European Parliament's intervention procedure. Despite several positive suggestions from the Committee on Budgets, relating to specific questions concerning the Council, despite the severe criticisms of the Council of Ministers by many colleagues in the European Parliament, we feel that this year, perhaps more than in any other year, a game is being played, the outcome of which has already been fixed. In the first stage, the Commission submits a draft budget which condenses the Community's basic economic and political directions. In the second stage, the Council proceeds with spectacular cuts in appropriations, so that in the third phase, in the European Parliament, it can afford to allow appropriations at approximately the Commission's level and presents the Commission's proposals as the only realistic chance of solving the Community's problems. Thus in our opinion, Parliament's intervention is selective and partial, sweetening the pill of political integration, which moves away from austerity towards the working classes and substantially matches the guidelines of the other Community institutions, so that we will not say that it makes the highest bids in certain areas, such as the internal market.

As far as we, the representatives of the Greek Communist Party, are concerned, we join with our French colleagues of the Communist Group in a set of amendments which relate to the meeting of unfulfilled EEC

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commitments to our country — such as, for example, the financing of the 5-year plan — and to the softening, as far as possible, of the negative effects of our presence in the EEC. We feel the vote in favour of the amendments by the Greek Communist Party and the French Communist Party for the freezing of credits to Turkey to be positive. However, other amendments have either suffered a reduction in support from certain colleagues, or have been rejected. Under these circumstances, we believe that, with regard to the budget as well, 1986 will see a substantial worsening of Greece/EEC relations. There is no doubt that during this phase of stagnation we will move to a clear reduction in financial gains for our country, despite the entry into operation of the IMPs.

Finally, I want to stress that in the deep crisis through which our country's economy is currently passing, and which under the influence of our presence in the EEC, as confirmed by the facts, has turned our country into one of the world's leading fifteen debtor nations, we need a radical shift to a policy of support for national producers, national industrial reconstruction, and equitable and mutually beneficial international relations within the framework of a policy of disengagement from the EEC. Only in this way can we begin to deal with the critical balance of payments problem, not through the fraudulent boasting surrounding the IMPs and Community financing.

IN THE CHAIR: LADY ELLES*Vice-President*

Mr Tove Nielsen (L). — (DA) Madam President, the draft budget which the European Parliament has to consider today was adopted by the Council of Ministers at the close of September. I should like to say straight away that I think it is a very bad draft budget from the Council: the Council has only done half its work. If the Council draft were to be adopted as it now stands, the Community would quite simply not be able to honour the commitments it has entered into, and that is just not good enough. It is an irresponsible and disreputable political attitude. Last year the Council of Ministers tried to get away with a budget which did not cover the twelve months of the year; it put forward a proposal which only covered about ten months of 1985. We had hoped that the Council had learned something from the protracted negotiations which took place after the budget proposal for 1985 was rejected in December and that we finally got a proposal which covered all twelve months in the year — in other words, a proper budget.

Unfortunately, the Council has not learned its lesson. That is deeply to be deplored, for we should not otherwise have been in the present situation, in which

we are short of money. On the other hand — in stark contrast to this attitude on the part of the Council — the Committee on Budgets and its chairman, Mr Christodoulou, have now put forward a proposal which is both a constructive lead to the Council of Ministers for a dialogue — which is much needed — and a sign that Parliament, together with the Commission, is showing the necessary political responsibility. It is of the utmost importance that on Thursday when we adopt the motion for an amendment, which will involve increased expenditure, Parliament stays within the maximum rate of increase. We do not live in times in which any official body can permit itself to squander public money. It is absolutely essential therefore that we in the European Parliament should also show that the expenditure we adopt is really necessary to promote economic and social development in Europe.

Governments and local authorities everywhere are being forced to cut back on public spending in order to bring their economies into balance. It is therefore necessary for the European Parliament to show the same restraint on Thursday by remaining within the limits set by the Treaties for the development of the budget.

Apart from this matter concerning the maximum increase in non-compulsory expenditure, I fully endorse the amendment tabled by the chairman of the Committee on Budgets to secure coverage of the expenditure in connection with the enlargement of the Community to include Spain and Portugal and the liquidation of the burdens of the past.

It would be politically immoral if we did not show the Council the way on Thursday by adopting the expenditure necessary to ensure that Spain and Portugal get the terms for their Community membership which they were led to expect in the enlargement negotiations. It would be legally wrong and it would jeopardize the Community's credibility if we also failed to show the will here in Parliament to make available the funds necessary to pay the bills we have ourselves run up in recent years.

Over the years Parliament has constantly demanded more commitment appropriations, and we have accepted the imbalance between payment appropriations and commitment appropriations. This is now recoiling back on us — both the Council and Parliament. It is therefore vital that we set aside the necessary resources to begin liquidating what has become popularly known as the 'burdens of the past'.

Mr Boutos (RDE). — (GR) Madam President, dear colleagues, the draft budget which we have been asked to vote for confirms our worst fears concerning the form and the future of the Community. The make-up and particularly the level of expenditure in relation to income confirm the worsening of the Community's financial difficulties and reveal the decline of the principal of solidarity between the Member States.

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While the difficulties of past years could be seen as temporary quantitative imbalances, today's decisions by the Council reveal deep organizational weaknesses and contradictions which are difficult to reverse. How else can the reluctance to approve requirements for increased expenditure, or the refusal to bear the burden of past commitments be explained, except as a dispute over objectives which were, until now, generally accepted? What value can declarations by the Council and by the governments in favour of economic convergence and new policies have any more, when these same bodies refuse to take the only decisions capable of transforming their words into fact? Are not the fears that the principle of Community solidarity has been drastically weakened borne out, when the northern countries attempt to saddle their southern neighbours with the economic cost of enlargement?

We want enlargement, we have accepted the new policies, we approve of a Mediterranean programme — but it is someone else who has to bear the cost. There can be no room for doubt that this crisis is more serious than previous ones: it is a Community crisis of confidence and of identity. A crisis of confidence because the Council refuses to release to the Community the economic means required for its development. A crisis of identity because the Council, in failing to meet its own commitments, is attempting to carry out a quite unprecedented transfer of responsibilities onto other Community institutions. But this will lead us into a Community in which current disparities cannot but widen still further, a community where enlargement, instead of reducing imbalances, will accentuate them. In order to have a clear illustration of the political consequences which the draft in question will have for the countries of southern Europe, we must turn to precise facts and figures.

Let us take Greece as an example. Greece is a country suffering an acute economic crisis. The economic measures which the present government has had to take — devaluation of the drachma, a substantial cut in salaries and wages, higher taxation, reduced imports, a reduction in financial deficits — all point to the severity of the economic situation.

And then, with the full implementation of Community prescriptions, it is expected that Greece will bear severe losses in income to its national budget, due to the complete abolition of duty on products imported from other Member States and the ECSC, by the abolition of taxes of equivalent effect, the total absorption — by the Community — of agricultural contributions, of the common customs tariff and contributions in the sugar and glucose sector, and the reduction in income caused by the dismantling of state monopolies. And finally, there is a reduction in income resulting from the elimination of financial repayments on its participation in the Community budget.

In addition, Greece is in danger of undergoing a major increase in national expenditure, on account of its par-

ticipation in the Community budget, based on VAT, particularly with an increased rate. In line with planned income in the draft budget, Greece's financial contribution will rise from 419 million ECU in 1985 to 660 million ECU in 1986, without counting the losses in income to the national budget previously quoted. This means a 57% increase in the financial contribution from Greece, during a period of internal economic crisis, aggravated by the reduction in expenditure contained in the Community budget. Do you really believe that this situation will produce no political repercussions? Besides, Greece is not the only example. The truth is that the new Member States are also expected to make a net contribution to Community finances, in other words, to put in more than they take out.

Under these circumstances, how much can we expect of the better nature of the governments, when they have to sit down at the negotiating table to break the budgetary deadlock already looming up on the horizon, and to discuss Europe's political and institutional problems?

Madam President, many of us fear that this draft budget, which comes close to an act of political treachery, cannot but be condemned by us as an onerous mortgage on the future. Europe's only remaining hope is this Parliament's desire to map out the real dimensions of the European Community, its true identity, and provide it with the capability to give its full support to a budget which would match the aspirations and beliefs which distinguish Europe.

Mr Tomlinson (S). — Madam President, the whole of this year's budget procedure has had all the elements of grand farce but without the entertainment. I was somewhat critical of the Commission's preliminary draft budget and one can be critical of Parliament's priorities, but the bulk of our criticism must today be reserved for the Council of Ministers. As the chairman of the Committee on Budgets, Mr Cot, said earlier in our deliberations, the Council is incorrigible. Last year they produced a budget covering ten months. This year they have produced one for ten countries.

We have seen so far in this debate that the Council is without friends and deserves to be so. Yesterday Mr Curry drew an analogy between the Council and Winnie-the-Pooh. My only reservation is whether the Council has the intellectual capacity to draw any conclusion from that analogy based on its budgetary performances. The Council's behaviour is as bad as any that has been seen by us. They are playing budgetary games with a disregard for reality which transcends even their usual level of capricious behaviour. What is the reality?

The 1986 budget is unique in three main respects. It should be the first budget for a 12-member Community. It is the first budget with own resources raised

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from 1 to 1.4% and it is the first budget subjected to the Council's so-called budget discipline. How has the Council responded to this threefold uniqueness of the 1986 budget? Those who negotiated treaties with Spain and Portugal have sought to pretend that they had some sort of financial exemption from the consequences of their own decisions. Secondly, they looked at the use of new resources — new resources that they had begun to squander by increasing the feeding of the ever-open mouth of agricultural policy while, at the same time, starving essential priorities of this Parliament in relation to regional policy, social policy and development assistance.

On budget discipline, I think the least said the better. My six year-old daughter has a better concept of budget discipline than the Council has manifested so far in this debate. Budget discipline must have two essential elements. The first must be the clear definition of political priorities and the second must be the allocation of resources according to those priorities. Any other concept of budget discipline is meaningless. Yet here we are with a set of priorities that nobody in this Parliament is at all satisfied with. One must wonder what the Council was doing from mid-June, when the preliminary draft budget was submitted by the Commission, until September when, already late, they deliberated with the well-known catastrophic consequences that confront us today. So, what are we left with? We are left with a series of shabby compromises which deny a Parliament all the functions which it ought to exercise and which are the very antithesis of budget discipline. If Parliament allows a budget like this to proceed any further, then I think, the same Parliament is going through an exercise in hypocrisy in other forums in asking for additional powers. If ever there was an attempt by the Council of Ministers to undermine the powers that we already have, it is in the way they have treated this budgetary procedure so far. And if we allow them to do this and then in other forums start demanding additional powers for ourselves, we will not deserve them because of the cowardly way in which we have accepted the damage that they are doing to our existing powers.

A Parliament must jointly, in the budgetary process, exercise power in three main areas. We must define the political aims. We have that political responsibility; we must estimate the resources needed for the achievement of these aims and we must play our role in the raising of probable revenue necessary to cover the expenditure required by the Community's overall short and medium-term policy. Those roles would each, in practice, be denied to us by the Council, not so much by their words but by their action.

For those and a number of other reasons, the British Labour Members, who have not been party to the shabby compromises worked out in intergroup dealings, have tabled an amendment for the rejection of the budget under Article 203(8) of the Treaty. We will be calling upon this House to reject completely the

draft budget for 1986 on the grounds that this House ought to insist on a genuine reform of agricultural legislation, which would release the resources that would permit increased expenditure by the structural funds for the fight against unemployment and the promotion of industrial growth without exceeding the 1.4% own resources and, at the same time provide the resources necessary to fulfil our obligations to Spain and Portugal on the one hand and further the interest of the Third World on the other. Our motion recognizes the budgetary stringencies in the Member States. It is not asking Community countries to pour ever greater resources into the European Community. It asks us to accept a share of our responsibility, within the confines of a 1.4% VAT ceiling, for determining what our priorities ought to be. It does not seek merely to throw more money at the problem. It says that if we mean what we say about the importance of the Regional Fund, Social Fund, the priority we attach to the needs of the Third World, energy, research and development cooperation, we can only increase their priorities by voting to scale down the priority accorded to other sectors. We cannot give everything equal priority in the budget. We must curb the ever-increasing avarice of the agricultural sector and transfer the savings to the structural funds of the Community. Many Members in this House, when they have the opportunity to play their part in that process, deny by their votes the very things that they argue for.

Should our motion fail — and I am realistic enough to understand that in a Chamber like this the chances of it being carried could be regarded as somewhat remote — the British Labour Members will not abstain from the vote. We will use our votes to help to gain a 218-vote majority for a number of progressive amendments. But, in doing so, we have to say to the Members of this House that when they talk about a 'People's Europe', a 'Citizen's Europe', the 'spirit of Europe' and the need to instil this into our citizens, they will not do it by propping up a budget like this. They will only do it by responding to the needs and the interests of the citizens of Europe.

Our citizens have made their priorities quite clear. They expect a European Parliament to use the budgetary mechanism to assist the Member States of the Community in the fight against unemployment, in the fight for industrial regeneration in Europe, and in the fight to develop alternative policies that address themselves to the incredible deprivation suffered in certain regions of the Community. At the moment, after all the tinkering about, we are still proposing to spend 70% of our citizens' money in building additional surpluses in the agricultural sphere, surpluses which the majority of our citizens have made abundantly clear they find repugnant. Until we tackle the nettle of the agricultural legislation which allows those surpluses to be created and forces the Community's budget to spend its resources upon them, we will get precious little support from our citizens. So, I call upon this House to tinker no longer but to reject the budget at

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first reading and tell the Council it must do better. It must do something if the spirit of Europe that it is constantly telling us about is to become a reality.

Mr d'Ormesson (DR). — (FR) When the Council, reflecting its uncertainty, once again leaves it to the wind of history to release the financial resources which are essential to the regular operation of the Community budget, a direct consequence of its decision to extend the Treaty of Rome to Spain and Portugal; when it takes the easy way out and changes the exception made for the United Kingdom into an ordinary rule, instead of trying to reconsider the origin of the Community's own resources and incapable as it is of making proposals to each of the Member States to get them to achieve a better balance in the financial effort required; when it turns its back on the agricultural policy sought by the Treaty of Rome in order to give Community agriculture preference over that of third countries; when it neglects the enormous potential market represented by the ACP countries, so as not to have to face the true causes of their insolvency; when it agrees to water down the magnificent spirit of the Yaoundé Conventions in the morass of the Lomé Agreements; when it no longer shows any desire to implement new policies on energy, research, arms and transport, and gives the Soviet Union the privilege of freighting the cereals which the Community sells to it at low cost; when it forgets that Europe was civilized by Rome, that its genius is firmly rooted in Christianity and that its history cannot be separated from the battles which it fought to preserve the faith in both East and West — but it no longer has the courage to preserve it or to rescue the Christians in Lebanon — the hour has come for the renunciation or the survival of the Community.

The compromise amendment which Mr Christodoulou has supported throughout the budget discussions will, if it is adopted, allow the time for reflection which everyone of us needs.

I think, in fact, that the Council, the Commission and the European Parliament will be obliged in the course of the next financial year to make a decisive choice between the slippery slope towards the Finlandization of Europe and a leap in the direction of unifying our countries, in the knowledge that if there is no happiness without freedom, there is no freedom without courage!

Mr Pfennig (PPE). — (DE) Mr President, ladies and gentlemen, the Council President has indicated this morning that the additional expenditure decided on by the European Parliament's Committee on Budgets is unacceptable to the Council because it allegedly increases the budget and non-compulsory expenditure in particular to too high a level. I think the Council President is mistaken, for we are on the contrary embarking on a totally new direction over the 1986 Community budget.

Expenditure is increased only by roughly the average rate of inflation for the Community of Twelve. Admittedly the increase will be nearly 20% if the plenary sitting endorses the resolutions of the Committee on Budgets and approves a budget of 34 billion ECU, but this increase includes the costs incurred by the accession of Spain and Portugal, costs which according to the Council of Ministers' own estimates make up 15% of additional expenditure.

The European Parliament is thus proposing to the Council a budget which increases expenditure by only 5%, and the Council finds even this increase too much, although the EC budget is in line with most of the national budgets which merely keep pace with inflation.

Although it knew that Spain and Portugal would necessitate 15% additional expenditure, the Council of Ministers allowed in its draft for a budget increase of only 12%, leading Parliament to make the justified reproach that after its attempt in 1984 to draw up a budget for ten months the Council was now trying in 1985 to draw up a budget for only ten Member States.

The European Parliament's Committee on Budgets has corrected this false move. It has bumped up expenditure by 2.2 billion ECU. This means that the costs of expansion and the payment of previous Community commitments are covered without normal expenditure running a bit short. Even so we have kept below 34 billion ECU — more than 1 billion ECU less than the Commission proposed. Mr Council President, the Council ought to be very pleased that its wrong moves have been corrected and that strict discipline has nevertheless been observed over the question of expenditure.

There is less reason to be pleased, I think, if we analyze the structure of expenditure more closely. I have already pointed out on previous occasions that the Community's new financial regulation, which will take effect in 1986 on the accession of Spain and Portugal, will in the long run lead to the political collapse of the Community because, despite the raising of the VAT ceiling to 1.4%, it will firmly entrench the existing expenditure structure. The 1986 budget shows that this fear was unfortunately not without foundation.

On the one hand it has become apparent in my view that the imbalance to the detriment of some Member States, especially the United Kingdom, Germany and also Portugal, clearly cannot be overcome through expenditure, given the present structure of the financial regulation.

In all seriousness the Council of Ministers had intended that Portugal should pay more into the Community budget than would be paid out to it. Because the Community's means of raising revenue are limited and because more than two-thirds of expenditure are

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earmarked for agriculture, there is virtually no room for financial manoeuvre over expenditure on refunds.

The decision of the Fontainebleau Summit that expenditure policy would for the foreseeable future be the main method of solving the imbalance in the budget cannot be implemented until the Community's revenue position is improved. But this is rejected because under the present system it may in principle lead to even greater imbalances.

It was also for this reason that the United Kingdom insisted on imposing a balance by cutting the Community's VAT income, i. e. by means of a corrective mechanism. This shakes the Community's entire revenue system to its very foundations, because adjusting tax payments due to the Community against a Member State's vertical claim for a refund from the Community not only leads in principle to a reduction in the Community's revenues but must also in the long term, if the principle of a fair return is applied, lead to ever-firmer entrenchment of the present spending policy, whereby the Community will lose its freedom to act and new policies will be blocked.

The 1986 budget is proof of this. The reduction in Community revenue is effected by rigorous cuts by the Council, which are near enough contrary to the Treaty. And still, even after the resolutions of the European Parliament, less than 1.2% of the 1.4% of VAT due to the Community is made use of, if we apply a Community rate for twelve Member States. So, despite increased agricultural spending, less is being spent, allowing for inflation, for ten Member States than in 1985, and Spain and Portugal are paying for themselves. In reality they are not only paying for themselves, but also for the UK refund: but at least as a result of Parliament's resolutions they are getting an adjustment, which they do not get in the Council draft.

In reality the VAT rate for the Ten is 1.3%; for Germany it is 1.25% and for the UK it is 0.768%. This means, given that the maximum ceiling for each Member State is 1.4%, that the only margin the Community will have in the next few years is the 0.1% by which the Ten still fall short of the 1.4% ceiling. Overall the Community thus has less than 1.3%.

And the cuts in revenue are also apparent in the description of the proposed purposes of expenditure. In the Commission's medium-term financial planning this is acknowledged. If spending on Spain and Portugal is deducted, it becomes clear that spending on agriculture and fisheries is again close to the 80% mark.

Already it is foreseeable that the narrow margin over revenue will have in future to be used only to deal with the agriculture problems arising out of the accession of Spain and Portugal. The idea of new policies or new financing will remain nothing but a dream. The Community as Cinderella to the Member States — is that

the way future political union is to be? In my view, the Community and the Member States ought to have learned from the 1984-1985 financial collapse and ought to agree as soon as possible on a new financial regulation for the Community which will enable it to take responsible decisions on revenue and expenditure, because otherwise financial collapse will inevitably ensue.

Mr J. Elles (ED). — I will not be the one to give the Council any respite this morning. The Council of Ministers has once again not provided us with a 12-month budget. The grounds for rejection are similar to those of last year: expenditure known, revenue unknown. As in *Alice in Wonderland*, it is jam yesterday, jam tomorrow, but never jam today — with the qualification that under Council policy jam tomorrow is unlikely to be available for reasons which I will refer to in a moment.

I welcome the excellent work of our rapporteur, Mr Christodoulou, because it is clearly Council decisions on enlargement and existing commitments that have caused our problems. Under our pressure in Parliament, it is up to you, the Council, to restore the funds. You cannot, after all, have your cake and eat it. It is your commitments, oral or written, political or legal, that have put us into the position of under-budgeting. Take the opportunity to restore the funds this year before it is too late next year!

In the present imbroglio I have one question for the Commission, and I would appreciate it if Mr Christophersen would refer to this when he speaks later. Does the Commission intend to keep to its own interpretation of budgetary discipline in 1986 so that the rate of increase in expenditure in agriculture will be less than the rate of increase in the Community's own resources? That is critically important if we are to know whether there will be a supplementary budget for agriculture in 1986.

I turn briefly to the medium term. If in general terms the Commission and Parliament have a similar approach to Community commitments, it is the Council today who is the odd man out. The Council, in fact, is being increasingly confronted by its own contradictions. The Council, after all, took the political decision seven years ago to enlarge the Community to include Spain and Portugal, and today it still has not recognized the economic consequences of that decision. Today the Council is discussing updating the Treaty of Rome to include the completion of the internal market and technological cooperation. How long will it take to realize that that also will imply expenditure? Can it learn perhaps — we do not know how — from the US experience over 100 years ago, when the internal market was created there and other policies were created alongside that creation of the internal market, particularly in the transport sector? We shall have further expenditure, and it is time that was realized.

J. Elles

I therefore fully support the suggestion in Mr Christodoulou's report that we should have a medium-term proposal from the Commission to tell us exactly how we are likely to proceed in the future, taking into account the most important point of the gradual transfer, based on the principle of subsidiarity, of certain funding operations from the national to the Community framework.

In doing so, I urge the Commission to get its priorities right. We need, I believe, to encourage coherent and imaginative policies to tackle Europe's problems, to be followed by the budgetary envelope. We must not be limited in encouraging Europe's progress by imaginary budgetary limits so long as we ensure at all stages value for money. It is like the cart and the horse: we must have a stallion as our horse to represent new policies, in front of a cart with round rather than square wheels to carry the funds required. We must give thought in Parliament, too, to medium-term policies, particularly to our attitude to the reference framework for 1987.

I conclude, Madam President, with a comment for the President-in-Office of the Council. You will no doubt require considerable courage to have a budget for 1986 in the next few weeks. Otherwise, however, you will earn for yourself the accolade that the Speaker of the US Congress, Thomas Reid, gave to President McKinley in the 1890s: 'Mr President, you have the backbone of a chocolate éclair!'

Mr Filinis (COM). — (GR) Madam President, we believe unreservedly that the European Parliament has a duty towards all the European States and all the peoples of the Member States of the European Community to make a clear declaration, backed up with a large majority vote, of its opposition to the quite unacceptable draft budget submitted by the Council of Ministers.

As numerous colleagues have already stated in this Chamber, it is incumbent upon us to ensure that the 1986 Community budget is a budget for Twelve, unlike what is proposed by the Council, which fails even to meet the needs of Ten.

Indeed, the budget must satisfy the requirements of the structural funds, the policies and the IMPs, must meet the past commitments taken on by the Community, and must also cover future items arising from Community participation in the financing of additional research programmes connected with the Eureka programme.

At the same time, the European Parliament should — as it quite rightly did last year — block the reserve fund sums intended for Turkey, if pressure is to be exerted on the Evren regime and the Turkish democrats are to be encouraged in their struggle for the restoration of democracy in their country.

Madam President, this Parliament of ours must not adopt a submissive attitude *vis-à-vis* the Council, and therefore we must not allow the compromise amendment to be accepted, an amendment which proposes so-called direct income support for farmers at risk, while at the same time approving reductions in the prices of agricultural products, as indispensable measures.

Lastly, it has been accepted in practice that before the increase of new resources from VAT at 1.4% comes into effect, appropriations for existing Community commitments should have been exhausted. Therefore it is, as our party, the Greek Communist Party of the Interior, has previously stressed, also necessary for Community resources to be increased beyond the 2% of basic VAT, if commitments are to be honoured and new policies are to be developed which will raise the Community out of its present dangerous stalemate.

In general terms, Madam President, we must make it absolutely clear to the Council of Ministers that in the event that it rejects the proposals of the European Parliament, we shall then vote against the budget even at the second reading, in order to obtain an eventual draft with the participation of the Spanish and Portuguese representatives too.

Mr Di Bartolomei (L). — (IT) Madam President, after the Fontainebleau agreement, the accession of Spain and Portugal and the increase in the VAT rate and revenues, the European Community ought to have a stable budget at last. The European Parliament should have assumed fully its role as budgetary authority already.

Yet this has not happened, even this year, because the Council, applying its absurd and unilaterally decided notion of budget discipline, has submitted a budget that is lacking in substance and may well be illegal in form.

Once again, Parliament has been dragged into an undignified race to restore to the budget items which are the indispensable counterpart of solemn undertakings: funds proposed by the Commission in its executive role, but indiscriminately axed by the Council.

This is the situation with regard to the appropriations needed to meet the costs of Spanish and Portuguese accession; it also applies to the so-called, 'burden of the past' caused by the failure to strike a balance between commitments and payments, for which the Council was responsible. The same applies to various economic commitments of the first importance, such as measures to strengthen the two structural funds and the increases we propose for the Integrated Mediterranean Programmes, transport etc. Finally, we are at a loss to see how the reform of the common agricultural policy is to be funded, unless perhaps Commissioner Andriessen's Green Paper is to be regarded as a pastoral fantasy rather than a political document.

Di Bartolomei

Madam President, the rapporteur, Mr Christodoulou, was too objective and generous this morning in his reply to Mr Juncker, and I hope that it was duty alone that brought Mr Juncker to address us here and that he himself was not fully convinced of what he had to say. For his speech blaming Parliament, asserting that the level of expenditure proposed by the latter would not be accepted by the Council, and arguing that the times require austerity, and that we cannot therefore afford to meet the cost of primary objectives such as the fight against unemployment and world hunger, was inopportune, startling and completely unacceptable in this place.

A Council which has systematically ignored Parliament's prerogatives in the budgetary field, submitting a document which we strongly suspect is illegal, now appeals to the sense of responsibility of the very institution which is attempting, for its part, to salvage the dignity of this budget. We are invited to curb expenditure. Is this because Parliament is calling for unproductive increases in expenditure?

Can it be that the investments we propose will not help combat unemployment? Or have the national parliaments and governments themselves been providing, over the last few months, an historic demonstration of how to curb unproductive current expenditure?

The truth of the matter is, Madam President, that here we have a conflict between the European outlook and attitudes represented by Parliament and the narrow outlook and selfish national attitudes which characterize the Council, or at least some of the Member States represented on it. But this, too, is a political and institutional problem which must be solved by the Council itself and cannot be delegated to Parliament.

We understand the problems of the present time, President Juncker, and we also understand your difficulties. But look what is happening! Parliament is fighting; why are the more pro-European of the governments represented on the Council not also fighting? Do you draw no conclusions from the unanimity with which all the forces of this Parliament, regardless of their political orientation, are demanding support for our efforts to strengthen Europe by means of a budget worthy of it?

The Council is truly incorrigible. Last year it presented us with a draft budget covering ten months; this year it has submitted a budget for ten countries, regardless of the commitments undertaken by the Council itself at the close of the negotiations on Spanish and Portuguese accession.

Given the position taken by the main political groups in this Parliament, the amendments proposed by the Committee on Budgets — which, incidentally, are in keeping with the Commission's proposals — are almost certain to be adopted when they are put to the vote next Thursday. However, when Parliament

adopts the amendments restoring — at least in part the appropriations proposed by the Commission to increase the structural funds and the resources available for development policy (and hence employment policy), we must make it absolutely clear to the Council that there is no further room to manoeuvre or negotiate on these figures and that, if the Council is not prepared to accept them on second reading, the only alternative open to us will be to reject the budget.

We, for our part, will face up to our responsibilities in the interests of Europe and the votes who elected us to this Parliament.

Mr Papoutsis (S). — (GR) Madam President, quite clearly the criteria to which we should refer during the current phase of budgetary proceedings are contained in the expectations and political calculations formulated by the European Parliament in the course of the debate on the guidelines for financial policy in 1986. Many colleagues have spoken on the new wind which has blown through the Community. The solution of questions relating to enlargement, the attainment of an agreement on such weighty matters as the integration of the internal market, the Mediterranean programmes, the reform of the CAP, along with the increase in the VAT percentage to 1.4%, have generated optimism among many that the political and financial conditions have been set for a new Community. The draft budget would constitute the first significant stage in the confirmation of our optimism. Unfortunately, reality has turned out to be somewhat different.

If we accept the principle that every draft budget is the expression in financial terms of political choices, then the draft before us represents nothing less than a flat negation of the agreements on enlargement, a disavowal of the commitments which the Community assumed in past years, and the destruction of any movement towards development.

On the basis of the credits proposed, the structural funds, which are above all development funds, will not be able to function with their new regulations. Despite the solemn pledge by the leading countries at Fontainebleau to proceed with a substantial increase, of a significant amount, the Regional Fund is being paralyzed with what is in fact a negative increase. Matters are even worse concerning the Social Fund. The continuation of the policy of splitting liabilities for payment for yet another year is not only a political version of burying one's head in the sand, but is also an act of irresponsibility in the face of particularly sensitive Community groups which are supported by this Fund. It is representative that the remaining percentage for the settlement of payments arising from past commitments is little more than 31% of the total amount required. The method of allocation of credits in the Agricultural Fund is in blatant contradiction of the political options taken by the European Parlia-

Papoutsis

ment. The declarations in favour of support for products of which there is a shortage, and the gradual restriction of surplus products, the affirmations that the working aim of the fund is to reduce regional disparities, are either contradicted or rendered invalid in view of the method applied for the allocation of appropriations.

Finally, the share kept for research remains exceptionally low, in the order of 2.5%, despite all the political investment made in this sector.

When this is the current reality in the first year of application of the new VAT percentage, the end of which we are approaching, then we are obliged to ask ourselves on two separate levels how far the financial and political conditions for a new Community really exist. That is, a Community which will secure coherent development, as well as strengthen its role in the international arena.

Our first question concerns the crisis over the amounts involved. How much, with current amounts, can we increase the political weight and effectiveness of our policies? Is it possible, for example, for us to push through measures for the integration of the internal market if we do not provide compensatory policies and finance like that given to the less-developed economies, or, at the very least, the possibility of survival and participation within the framework of the new institutional arrangements? If we do not provide the financial coverage, the political agreements for new structural policies and resources for the harmonization and convergence of the economies will become an excuse for the continued and increased inequalities in the Community.

Have you thought about the extent of the financial and economic cost to the less-developed economies of the implementation, over the next six years, of the package of measures contained in the White Paper? Their effect will be undermined unless there are plans to counter the harmful repercussions of the application of policies for the integration of the internal market. Regional structural development, research and technology and development aid to the Third World must not be opposed on the grounds of narrow-minded principles of accountancy. Financial support should be commensurate with the political importance of these sectors, which represent the very future survival of the Community.

The more significant crisis, however, is not that over amounts, but rather over political credibility. We speak in favour of an increase of resources which would finance new policies and enlargement, while 80% of the increase in income will be paid by the countries to join. We speak in favour of the agreed financing of the Mediterranean countries, while the draft budget, as presented, does not clarify which of the proposed resources are intended for the Mediterranean programmes and which for the structural

funds. We speak of the need to reinforce the powers of the European Parliament, and at the same time the Council threatens what powers already exist, seeking in one way or another for us to use our margin to pay for its commitments.

Madam President, on the basis of the proposals made by the Committee on Budgets, the European Parliament is making a serious effort to turn a draft budget lacking in both political responsibility and monetary efficiency into a Community budget for — at last — twelve countries. The emergence, on one hand, of a severe financial crisis for the second year running and, on the other, of an accumulation of historical needs and problems requiring a solution place the demand for political credibility at the very heart of the financial question. The Community will only succeed in persuading the peoples of Europe that it represents the way to overcome, painlessly, this critical international juncture when it can display aims and results. Only when it becomes an economically dynamic and socially just Community, which does not cover up its problems but solves them with courageous initiatives, will this happen.

Mr Anastassopoulos (PPE), chairman of the Committee on Transport. — (GR) Madam President, the general draft budget of the European Communities for the 1986 financial year, which we are examining today, raises many problems of a general nature. I do not wish to repeat what my colleagues who have preceded me said. But I should like to direct my own findings towards the subject of the blows suffered by Community credibility, and therefore the Community budget. The financial provisions made by the Council of Ministers for the transport sector are a perfect — although far from unique — example of this. It is said that last year we discussed and examined the possibility and the suitability of the Community shaping new common policies, on a serious basis. But there is no need to introduce the common transport policy. It is the second common policy after agriculture which is foreseen in the Treaty of Rome, and which, nearly thirty years after the Treaty was signed, still does not exist.

There is no need for me today to analyze the reasons why in September my committee decided by a large majority to approve my report. I now wish to keep only to the basic facts. And the fact is that the European Court of Justice has also acknowledged the lack of this common policy, in its historic decision of 22 May. A lack which the Council of Ministers cannot contest. After this censure, without precedent in the annals of the Community, of its neglect, the Council was obliged to promise that it would rectify the situation and that it would comply with the Court's decision. And what did it do? Only a few weeks later, this same Council of Ministers cut the Commission's proposals for the financing of transport infrastructure works by roughly 85% for the assumption of liabilities

and roughly 50% for payments: on the pretext that the credits had not been used up, because the Council has for years failed to approve any definite regulations and is still dealing with infrastructure works through provisional regulations.

I regret the fact that it should be necessary to ask who is fooling whom in this Community. And also to ask whether perhaps the Council hoped in this way to get its revenge on Parliament, punishing it because its appeal to the Court of Justice resulted in the Council of Ministers being censured for its failure to act. Once again, it falls to Parliament to put matters right, a Parliament which for thirty-odd years has been struggling alongside the Commission, and with equal determination, to provide some impetus in this sector, which has been so neglected by the Community, although it represents 7% of its gross domestic product. The Committee on Transport, of which I have the honour to be chairman, is proposing certain amendments in the same spirit. We have not, however, succeeded in mobilizing the Committee on Budgets to the extent required. The general rapporteur on the budget, Mr Christodoulou, whom I should like to congratulate at this opportunity for his comprehensive work, which has drawn the praise of colleagues who neither belong to the same political groups nor would willingly be associated with his views, has, in his orientations and directions, graded the transport sector among those sectors which we ought to consider as having priority. But in practice the Committee on Budgets did not share this opinion, or not to the extent which is dictated by the circumstances. And it recommends increases to us which, with regard to the assumption of liabilities, already leads us into a worse position in comparison with 1985. Can the terms 'priority' and 'impetus' be used, can it really be supposed that we are intensifying our efforts for the integration of the internal Community market by 1992, with an unbroken period of progress in the transport sector, when, along with the Community enlargement, the problems of the transport sector are equally expanded? Certainly not, if we intend to have a serious discussion. The Committee on Budgets and the general rapporteur have the tricky task of attempting to bring what is needed into line with what is possible, and to display a sense of realism and responsibility. And it has generally been a worthwhile attempt. But in the area of transport in particular they have made a mistake, and this is the additional reason why it is impossible to understand how there can be colleagues who protested because significant increases in assumptions of liabilities were put forward in our opinion. Allow me to put the opposite case. I am not alone in believing that there is still a relative margin which we have not fully exhausted, and, my dear colleagues, I appeal to you — even though the clock stands at one minute to midnight — so that we may move in the direction of bridging the chasm which yawns between words and actions and may restore the Community's credibility, so grievously damaged once again by the Council of Ministers.

Mr Price (ED). — Madam President, each year the President-in-Office of the Council comes to this Parliament for the budgetary debate and each year Parliament delivers vigorous criticism of the Council. Each year it deserves it, and that is because the Council seems quite unable to give budgetary expression to the decisions which it takes through its various arms, even including that of the European Council itself.

This year we find that the Council has failed to find a qualified majority willing to face up to its responsibilities either to discharge previous commitments now falling due for payment or to meet the consequences of enlargement from 10 to 12 Member States.

Parliament has, I believe, adopted a coherent and constructive position in the amendments being recommended by the Committee on Budgets. Parliament could have left the Council with its problem. After all, it was the Council that created the problem by its failure to act. But Parliament has, I think, offered the Council the possibility of overcoming the difficulties which it created by proposing amendments to deal with these major problems. The ball is passed back into the court of the Council.

The only matter which disturbs me is the amount by which Parliament, in its amendments, will exceed the maximum rate for commitments. We may argue that the maximum rate for commitments is not legally binding. That may be so, but this year above all years we must realize the need to keep commitments in line with payments. We are facing the consequences of not having done so. We cannot insist upon paying off the weight of the past commitments while at the same time causing an identical problem for future years. I hope that the overrun of commitments, as proposed by the Committee on Budgets, will be reduced when Parliament votes on Thursday.

Madam President, I commented that Parliament's position is coherent. It has been stressed that we must hold to that strategy at second reading. I support that continuity. But let us be clear what it means. Parliament has to be bound by Community law. That includes the maximum rate. Parliament intends to maintain at second reading its amendments within its own margin of 217 m in payments. So the Council should realize that it must agree to increase the maximum rate in order to cover the cost of enlargement and of paying off past commitments. If it seeks to use a significant part of Parliament's margin for these purposes, it may find that margin reapportioned back to the package of 217 million ECU voted by Parliament at its first reading.

So I hope that the Council will not try to play the sort of budgetary games at second reading which it tried to play at first reading and which it has a long history of doing in the past. Parliament has taken a constructive

Price

position in the interests of the Community as a whole. I hope that the Council will follow suit.

(The sitting was adjourned at 1 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR SEEFELD

Vice-President¹

Mrs Boserup (COM). — *(DA)* Mr President, it has been said many times this morning that the Council's draft budget is a bad one. I think it deserves to be rejected on the first reading. We — that is the two Members from the Danish Socialist People's Party — will support the motion for rejection and will vote for it.

That said, I would point out that the proposal is inadequate on two points: it does not make sufficient provision for the honouring of the promises made to Spain and Portugal and it does nothing to restore order in the sorry affair of the burdens of the past. I think it reasonable for Parliament to attempt to put things to rights in these two areas and to do so by setting down some figures. It is quite ridiculous. I should like to see Denmark out of this organization, but, as long we are in it, the Socialist People's Party will not be an accomplice either to the repudiation of promises or to cheating.

With that, I have said all I can find that is positive to say on the matter. We should not create the means to solve the two really important problems by demanding more money. We could call upon those means which are so well known these days, called savings. It is, after all, not money which is lacking. It is the will to switch resources and attack so-called acquired rights. To speak plainly: money can be found by making savings on the agricultural policy. To be sure, it will be a very painful process, but it will not get any easier by being put off. Only some British Members from the Labour Party have had the courage in the Committee on Budgets to propose savings on the agricultural policy, and I think they deserve to be thanked for it. These proposals were voted down by a reflex action. The common agricultural policy must be amended and cut down. The grotesque charade of inedible and unsaleable butter in a starving world must be ended, and quickly. There is no popular support for such a policy. My message is therefore: find the money for the two problem areas by saving on agricultural expenditure!

Mr Rigo (S). — *(IT)* Mr President, Mr Dankert was right this morning when, replying to President

Juncker's offer to seek agreement on the 1986 budget, he described that offer as belated and lacking in credibility in view of the fact that Parliament has spent the last weeks and months seeking constructive dialogue rather than the purely formal cooperation which has characterized the budgetary procedure up to now.

It is clear that no agreement will be possible unless the Council removes our main objection to the budget — the fact that it is essentially designed for ten, rather than twelve, Member States.

The fact that the Commission's preliminary draft budget differed so greatly from the Council's ought to have given the latter pause for thought. Does this discrepancy not suggest that something is seriously at fault in its conduct?

This is not the first time that we — even those of us who, like myself, are Members of Parliament for the first time — have witnessed some very peculiar dealings in relation to the budget.

We dealt with the supplementary budget for 1984 on the basis of a Council proposal which covered the deficit for that financial year by means of an accounting device which involved postponing part of the expenditure to the following year and making an advance against future revenues which were by no means guaranteed.

In the 1985 financial year we were offered an annual budget which covered only ten months and introduced the principle of refunding, at an unspecified time in the future, part of the British contribution and an — admittedly rather smaller — proportion of the German contribution.

The novel feature with which the Council has confronted us for 1986 is — let me repeat — a budget which applies to only ten countries and, in effect, 'rejects' the most important political development of the last ten years: the enlargement of the Community to include Spain and Portugal.

How should Parliament respond, therefore, if not by urging the budgetary authority yet again to comply with the political and legal obligations flowing from the Treaties and, more particularly, from the enlargement of the Community to include Spain and Portugal?

The Council is failing to honour commitments previously entered into because of a misguided concept of budget discipline.

The facts are well known. In view of the massive cuts made by the Council in the preliminary draft budget drawn up by the Commission — cuts which exceed 3,200 million ECU and result, as Mr Cot rightly remarked, in the Council violating the Treaty by adopting an incomplete budget which makes no provi-

¹ *Membership of Parliament: see Minutes, items 4 and 6.*

Rigo

sion for expenditure resulting from enlargement and ignores the burden of past commitments — Parliament is obliged, in its role, as budgetary authority, to restore some suitable provision for those budget commitments which are essential on political and legal grounds.

One such commitment is the addition to the Community of two new Member States, and provision should be made for additional payments to them of over 3,000 million ECU, including approximately 1,800 million ECU for the repayment of 87% of VAT payments falling due in the first year. Another unavoidable obligation is the so-called, 'burden of the past', commitments which have been accumulated by the Community over the last few financial years and ought to be honoured by making the relevant payments.

This is why we must support Mr Christodoulou's amendments, which have already been endorsed by the Committee on Budgets.

The 1,599 million ECU, plus the 250 million ECU in reserve for enlargement costs, do not bring the total volume of the budget back to that of the preliminary draft, but nevertheless restore it to a level which can be regarded as the basic minimum if we wish the 1986 budget to be both legally and politically acceptable.

The Committee on Budgets was right, also to use the margin of 200 million ECU at Parliament's disposal to enhance non-compulsory expenditure.

These commitments — as we have frequently repeated — are essential for the Community's employment policy and the creation of technological innovation programmes which, as Mrs Barbarella argued only yesterday, are the acid test of Europe's capacity to challenge America, the industrialized countries and the emergent nations of South-East Asia.

I, together with other Members, wish to draw attention to the importance of certain amendments, particularly, that seeking to strengthen the fight against hunger in the world and that seeking to increase the appropriations allocated to the IMPs, although not up to the level proposed by the Commission.

We should also support, as requested by Ms Quin, the proposal by the Committee on Economic and Monetary Affairs designed to promote contacts between small and medium-sized European undertakings in different areas and, in particular, commitments for complementary research programmes.

The development of European television and collaboration in the audiovisual industry are of vital importance for the dissemination of Community values. We support, therefore, the amendments relating to the budget heading covering expenditure on information and on cinema and television co-productions.

These points, and others which have emerged from the debate on the 1986 budget, should assume greater significance against a background of medium-term planning. The Commission's preliminary draft budget stressed the need for such planning, as does the report by Mr Christodoulou.

If we accept that the financial component of the Community's current crisis is caused by the excessively high ratio of compulsory to non-compulsory expenditure, and that appropriations allocated to the structural funds contribute more than any others to restoring the competitiveness of the Community's economy, then we should certainly seek to remedy the haphazard nature of current budgetary policy and turn the budget into an instrument for achieving an extensive programme of expenditure and investment capable of convincing all the Member States that it is a matter of common concern and vital importance.

Mrs Oppenheim (ED). — (DA) Mr President, the few who have listened to the debate yesterday and today and others who perhaps read the record of proceedings for yesterday will find nothing but criticism, criticism and more criticism of the Council. Last year and on previous occasions the Council was also criticized, and it is my hope that the Council in spite of everything realizes that there are some voices and some views which should be taken into account. I think it is also time that the Council realized that the expanding activities of the European Parliament and its desire for more influence are the cause of the frustrations over the budget debate we have been experiencing yesterday and today.

We are all agreed on one thing, however, and that applies to all the institutions, namely, that the economic resources are, after all, limited and the question is how the resources are to be shared out. There may be many opinions here, and this is borne out by the interventions of the various committee chairmen. There is indeed nothing extraordinary in the fact that they all think their particular committee is the most important one and merits a generous allocation of resources. But, in contrast with last year's budgetary procedure, we have a situation this year in which Spain and Portugal are involved, in which the VAT ceiling has been raised and in which the Council — in December 1984 — has taken a decision on budgetary discipline. The Commission — and it is the new Commission's first budget — lays great emphasis on the view that the Community's budget must be an integrated part of a financial strategy for the medium term, as they say. But I think that it is very important to plan not just for the medium term but for the long term. There should be a longer-term strategy, there should be longer-term budgeting, and this is something many of us feel is lacking in the budget we are now debating.

Appropriations for commitment and appropriations for payment, compulsory expenditure and non-com-

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pulsory expenditure are all concepts which are known to budget experts but incomprehensible to many others, and the question is whether, if we were to budget over a somewhat longer period within a larger overall context, we might not be able to get away from these concepts. I realize that the appropriations for commitment point in the direction of budgetary planning; even so it is clear — particularly this year — that it is a very ponderous and cumbersome system. We should have other budgetary mechanisms by which we can plan for the longer term, which make for greater simplicity and comprehensibility, which are constructive and more effective. These distinctions, which I have already referred to, have gradually become obsolete and should be replaced by more expedient principles. There is not the scope for critical evaluation that there is in other forms of planning. There is no real scope for setting priorities of perhaps switching priorities. The Commissioner responsible for the budget, Henning Christophersen, himself in his speech in this Chamber on 22 October said that there was to be dynamic, long-term budgetary planning, which would make it possible for the Member States to draw up plans.

We must also look at savings. There are a large number of areas, and I shall not get into detail. But things must not be allowed to continue as they are, so that the Community becomes just an aid agency in which appropriations only go in one direction. In a democratic Parliament such as this we should not establish our budgetary principles on a planned economy basis; we should be able to discuss questions of crucial importance at times like the present and set priorities for them.

Mrs Fullet (S). — (FR) Mr President, colleagues, for me the budget is a way for politicians to implement the policies of their choice.

I shall not pretend to be a budget accountant; I am not a specialist in agriculture, technology or any other sector. You have heard my colleagues at length on the burden of the past and enlargement. Personally, I would quite simply like to speak on the citizens' Europe through the 1986 budget.

A convinced European would like to address those colleagues who have already expressed, and are still expressing, the European will. It is of the future of Europe that I wish to speak and, more particularly, the future of a citizens' Europe. I am not the only one to be concerned about it. The Adonnino Committee itself points out that it is imperative for young people to be involved in the building of Europe. Surely we, who have known wars, divisions, excessive nationalism, who have been able to measure for ourselves the consequences of our mutual lack of understanding, must be concerned to increase the younger generation's awareness of European integration, as we want it, and as we Socialists see it?

A European education must, of course, begin at school. The cradle of encounters, of exchanges between the young people who are the Europeans of tomorrow, it is the spearhead of Europe in the 21st century; exchanges between educational establishments, the twinning of towns and regions of Europe must help to weave the fabric of cultural and human links beyond national frontiers.

We are very pleased that line 2732 in the budget now has 570 000 ECU. Let us ask the Member States, through the European Commission, to set up departments to help schools and teachers establish the necessary contacts, to advise them on the educational aspects of scholastic exchanges throughout Europe. In order to do this, young Europeans must be capable of understanding each other without losing their own identities; on the contrary, they must share them.

Mr President, colleagues, if one looks at the history of any of our Member States, and, in due course, of that of Spain and Portugal — these two countries have always played their part in universal history — is it not inconceivable that these peoples should not forge inseparable links, that their regions, communes and local authorities should not form a substantial network of economic, cultural and human bonds? Once again the citizens' Europe has benefited by the restoration of Article 291 — which was cut in 1985 and is now restored and increased — in order to support the activities of movements to popularize European unification.

How can there be a citizens' Europe if women are disregarded? It is inconceivable without equality between them and men.

Mr President, when I see the 152 800 ECU against line 6440, of course I say it is not much; but it is a start in the daily fight for equality.

How can one talk about European citizenship without mentioning the migrant workers who have helped to build the Community, and without referring to past generations, and that to which I belong?

With the money from lines 6443 and 6444, should we not consider exploiting the know-how of those taking early retirement and get them to play an active part in the Europe of tomorrow by helping to train the youth of today? Why not educate them in the European idea and ask those taking early retirement to do a certain amount of work in secondary schools, colleges and educational establishments?

Another question, Mr President. Can we achieve this Europe if we put a stop to the studies and projects relating to the completion of the internal market, since we see that line 7754 for 487 500 ECU has been rejected? I am well aware that we are frequently criticized for carrying out useless studies, but for once it could have been of some use.

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Finally, it is impossible to speak of a citizens' Europe without mentioning the thousands of men and women who fight daily, sometimes in secret, and risk their lives to denounce affronts to human dignity, here, in Europe, and elsewhere. We, the European Socialists, cannot but rise up and revolt against the quibbling and meanness which are so well exemplified by the refusal of 400 000 ECU for Article 293.

Despite the shortcomings which I have mentioned, I shall vote with a clear conscience for the budget presented by Parliament. In that way, Mr president, we shall feel that we have faced up to our responsibilities as human beings. You will, of course, all have understood that my last sentence was a reference to the founder of Europe, Robert Schuman.

Mr Normanton (ED). — Mr President, this is the thirteenth year of my membership of this Parliament. *Plus ça change, plus c'est la même chose.* Every year we go through this ritualistic performance which is called the budget debate. And every year it confirms our appalling ineptitude in exercising our statutory powers as the joint budgetary authority. Every year we seem to make the same mistake of assuming that the wide gap between Parliament's views of a Community budget and the views of the Council is due solely to the intransigence or the nationalistic insularity of the members of the Council. Frankly, Mr President, it is not true. The responsibility for that gap lies, in my opinion, substantially here within this Parliament. We MEPs fail to evolve a coherent and coordinated strategy and to follow procedures which must and can have only one objective, namely, the implementing of our political aims.

The President-in-Office issued a very clear warning to us this morning both on the procedures and on the content of the budget. To ignore that warning would be irresponsible, and the main point I want to make in this debate is to call for a major review by Parliament of the role to be assumed and the procedures to be followed by us as the joint authority. Failure to do this will, in my opinion, with near certainty lead to the emasculation of this Parliament as a democratically directly elected body and would leave the spending of our own electors' hard-earned money in the hands of a bureaucracy. National parliaments, to my knowledge, have already abdicated on this point. We must not go down that same political road.

Because of the apparent absence of a budgetary strategy on the part of the Council and certainly on the part of Parliament, some of us wish to reject the budget as presently drafted. In other words, to repeat what we did a year ago. Some of us wish to reinstate most, if not all, of the Commission's original proposals and some wish to go through the process of reconstructing the budget in its entirety. One fact at least cannot be challenged in this House. The Council's draft is not a budget. It ignores the financial fact that

by May or June of next year at the latest the Commission will be out of cash. It will be out of cash for the implementation of the very policies decreed and authorized by the Council itself. If the Council wills the ends, it must will the means. The financial consequences of the political decision to admit Spain and Portugal to the Community have been utterly and completely ignored and certainly not reflected in the budget.

Before we approve this budget — or perhaps I should enter the caveat, *if* we approve this budget — we know already that there will have to be a supplementary budget. And that means a further increase in own resources above and beyond the present ceiling of 1.4%. This is not an honest budget. It is a thoroughly dishonest charade and should be rejected, unless the dialogue to which the President-in-Office of the Council referred this morning can result in it being made honest.

My last point is to warn the House to be on guard against the machinations of the intergovernmental conference. They certainly intend to erode the one and only power and authority of this Parliament — our budgetary role. If they succeed, we shall have only ourselves to blame for our ineptitude in dealing with our responsibilities as the budgetary authority.

Mr Roelants du Vivier (ARC). — (FR) Mr President, ladies and gentlemen, I shall speak to a specific point. In Parliament's draft budget there is an item 3708 of which our Assembly has no right to be proud: 4,300,000 ECU are provided for, and I quote, "Preparation for next direct elections of Members to the European Parliament". To put it plainly, that means that for 1986, as for the following financial years, considerable sums of money will be made available only to the political groups present in today's Parliament in order to finance their next electoral campaigns. All these political groups, with the exception of our own, have today agreed that two-thirds of these 20 million ECU approximately, which will be accumulated over the four years, are to be divided among the groups in this Assembly. Good Sirs, all those political groups, with the exception of our own, agree that the remaining one-third, i.e. less than 7 million ECU, are to be shared among all the lists present at the elections in proportion to the votes obtained.

It is this latter system of the residual third that we have been forced to accept, we the deputies of the political forces not represented in the last Parliament. We denounced this system as discriminatory when we were not in Parliament, and we denounce it all the more forcefully now that we are Members of this Assembly.

The financial benefits which are linked to the seniority of presence of the parties in this Chamber are not based on any rational foundation or any democratic tradition.

Roelants du Vivier

That is why we support the action being taken in the Court of Justice at present by the French "Greens" against the previous Parliament, which we consider abused its powers. We shall oppose by all legal means the continuation of such a system, which, in financial terms, makes some election candidates superior to others.

Rule 2(2) of the Rules of Procedure states:

Members of the European Parliament shall vote on an individual and personal basis. They shall not be bound by any instructions and shall not receive a binding mandate.

Remember that, colleagues of all political groups, when you vote on Article 3708, which we reject and on which my Group will ask for a roll-call vote.

Mr Ciccimessere (NI). — (IT) Mr President, I believe that Mr Normanton was right when he acknowledged that not all the blame can be laid at the door of the Council and the Commission. I should like to take a specific example to illustrate how much blame lies entirely with this Parliament, or rather with the political groups within it. I refer to the budget of the European Parliament, a budget over which Parliament has complete control, without interference from the Commission or the Council, thus exercising all its powers to the full.

We need only read this brief document to understand how Parliament is responsible for its own misfortunes and how incapable it is of running itself efficiently or or skilfully in political terms. The European Parliament and its political groups have consistently taken the view that Members should be provided with all possible financial benefits, but not with services. Members lack not only satisfactory premises in which to work but also the services which are essential for their work: the research and information services which are necessary for all political activity. Contributions and cash are handed out, certainly, but there is no provision of means and facilities for political work. One need only compare some figures: 18 million ECU to rent the European Parliament's places of work against 160 000 ECU for research and advisory services, inquiries etc. These figures are significant. The rapporteur says that the responsibility lies with the Member States which have not yet established the seat of the European institutions.

Mr President, let me remind you of the shameful performance at the last session, when some Members decided to increase — or at least proposed increasing — such expenditure, calling for a new Chamber in Brussels and then not even taking budgetary responsibility for their actions, for I see no provision in the 1986 budget for the expenses incurred by these decisions. Why does Parliament not face up to its own responsibilities and take the necessary decision with regard to the institution's seat and the methods and

policy to be adopted in acquiring the buildings required, instead of continuing to throw so much money away in rent?

Mr Roelants du Vivier mentioned an awkward fact which all have passed over in silence, and to which even the rapporteur, discussing the need to reduce expenditure, failed to refer: namely, line 3708, whereby the existing political groups award themselves, at a stroke, 4.3 million ECU for preparations for the 1989 elections. There are four financial years to go before the 1989 elections, Mr President. This is plainly scandalous, and not only from the point of view mentioned by Mr Roelants du Vivier, i.e. the fact that these funds are allocated to the political groups already represented here rather than to those contesting the elections. It is scandalous that such a demand should have been made at all four years in advance of the 1989 elections.

To conclude, Mr President, I believe that, notwithstanding all the just and well-deserved criticisms directed at the Council, perhaps Parliament should begin to criticize itself before it is entitled to take others to task.

President. — As this concludes the general debate, we shall now go on to the debate on the various parts of the draft general budget.

AGRICULTURE, FISHERIES AND FOOD

Mr Woltjer (S). — (NL) Mr President, I have great pleasure in opening the debate on the agricultural budget. I note that many of the previous speakers felt the 1986 budget, as submitted by the Council, cannot in any way stand up to criticism. This is also and especially true of the part of the budget devoted to expenditure on the agricultural sector. The Council's lack of determination to tackle the problem of structural surpluses in the agricultural sector is apparent from this budget. Although agricultural expenditure would rise by only 5% in 1986 under this draft budget, and that is less than the overall rate of increase in the 1986 budget, the question is how realistic can this budget be considered. Remember, we are talking about 69.5% of planned budget appropriations.

At the moment the Community has in store some 20 million tonnes of agricultural products, particularly cereals, butter, skimmed milk powder, beef, sugar and olive oil. At a rough estimate it would cost about 10 000 million ECU to dispose of these stocks in the world market. A typical example of putting the problem off until tomorrow! Furthermore, it must unfortunately be assumed that the Council will be unable to reach a decision on surplus production in these sectors and so prevent these stocks from growing even higher in 1986. Quite the contrary in fact, since the whole

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debate on the Green Paper looks like culminating in no more than the introduction of a 2% co-responsibility levy to finance, believe it or not, the growth of surplus production. This budget therefore takes no account whatsoever of the need for an effective solution to these problems. For the first time, it is true, an amount, 273 million ECU, has been included to cover the loss of value of the butter stocks, along with 150 million ECU for the loss of value of the beef stocks. But these amounts bear no relation at all to the actual costs that would be incurred if these stocks were sold. The problems connected with extensive stocks, caused in this case by surplus production, are thus being put off until future years. There is therefore absolutely no reason to feel satisfied with a relatively limited increase in the agricultural budget.

We are therefore in greater danger than ever of exceeding the 1.4% VAT ceiling with this budget. It is particularly unfortunate in this respect that there is such a gap between the decision on the budget and the decision on agricultural prices. We are now deciding on a budget without knowing what agricultural prices the Commission will be proposing. It should also be remembered that what we are discussing here is compulsory expenditure, which is based on the organizations of the markets in the various agricultural products. Changes to the budget in this respect can only follow changes to the policy, through the amendment of the appropriate regulations.

Why does the Commission not attach its views on future policy to the agricultural budget? This would forge a kind of link between budget and policy. The debate on this budget would then have rather more substance, and it would be possible to discuss the measures the Commission considers essential if the budget for the agricultural policy is not to be exceeded. The Commission should give a precise answer to this question.

It should also be said that this budget looks rather optimistic. It assumes a dollar exchange rate that is higher than the average quotation in recent months. There is no reason to expect the dollar exchange rate to remain at this level and not fall even further. A weak dollar may have serious implications for the budget. I therefore call on the Commission to explain to Parliament what additional expenditure will result if the dollar exchange rate falls in 1986, as it is expected to do at present. In my opinion, the Council missed an open goal by not reducing agricultural expenditure. If it had agreed to the cereal prices proposed by the Commission early this year, the export refunds could have been reduced now. It is for these reasons and to give a sign to the Council that my group feels it must support Barbara Castle's amendment.

I will now turn to various structural aspects of the budget and, in particular, to a number of amendments tabled by the Socialist Group. The first amendment I should like to mention concerns the policy on the wel-

fare of farm animals. It must be apparent that the Commission always claims it wants to implement a policy in this area, but it is hard to find any appropriations for it in the budget.

Another proposal concerns expenditure on structures, a specific example being the citrus fruit sector, which is increasingly in danger of getting out of hand, principally because the Commission is not taking a structural change in the policy effectively in hand and does not reflect the consequences of this in the budget.

A third example I should like to mention concerns the poorest areas of the Community. On several occasions the Commission refers to the need for additional measures in favour of Northern Ireland and Greece. But there is nothing of this in the budget.

The last example is the VAT which the German Government pays to its farmers. Everyone knows that 100 million ECU has been included in the budget for this. Parliament has regularly protested, and rightly so. We have therefore tabled amendments aimed at diverting this 100 million ECU to a purpose other than that now proposed in the budget. I have thus indicated where the emphasis in my group's policy lies, and I hope it will be endorsed by Parliament.

Mr McCartin (PPE). — Mr President, one of the saddest things about what goes on here at budget time — not only today but in all the procedures that have gone before — is that we bring so much brainpower, so many procedures and so much effort to bear on achieving so little. The power of this Parliament to add or subtract from what has been proposed by the Council is so small that it is sad to think how much time we spend on it. When Mr Geldof visited this Parliament a month ago, he spoke about a proposal to raise funds for development aid, and he talked about a single fashion show being organized to raise something like \$150 million. All the power this Parliament has is to extend the spending proposed or agreed by Council by 200 million. It gives us some idea of how impotent we are and how little we can do with that small amount of money to change the direction of Europe, to shape its policies, to steer its inhabitants in any particular direction or to change anything for them.

Seventy per cent of this money is spent on agriculture — it is on behalf of my group that I speak about agriculture — and Mr Woltjer, who spoke very reasonably on behalf of the Socialist Group, made the point that we spend 1,000 million pounds on getting rid of surpluses, dumping surplus food. That is not entirely correct. We give that money to Community farmers for the purpose of producing these commodities. Of course, we sell them on the world market, if things are bad, at a lower price, but the truth is that this money goes to farmers in this Community and if we by some means or other prevent them from producing these

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commodities, then we have to offer them some alternative production or pay them unemployment assistance or put up with the fact that they will probably move somewhere else. So, while we all accept that there is a problem there, it is not fair to say that this money is spent dumping surpluses. It is not.

Another point I want to make is that we have so little control here in the budgetary procedure over what happens to 95% of that 70% which goes on agriculture. That will be affected and influenced by world markets, by the weather, by the value of the dollar and by what happens at price-fixing time. It was stated in the Eyraud report, and Mr Woltjer also pointed it out, that we should put money into the budget to provide beforehand for the cost of whatever price increases will come. I think that when the budgetary procedure starts in the summer it is too early to know how farmers will fare in that year, let alone projecting how they will fare the next year and what prices should be offered to them. I do not think we could reasonably project what is required for farmers in the year following. That cannot be done.

On the other hand, we as legislators must accept that we have a responsibility. If we put a certain amount of money into the budget to cover increases next year and if the outturn for this year proves to be good and farmers are doing well, everybody will expect this amount of money provided to be regarded as the base line from which we start to bargain. No, I do not think we can realistically say that we can change the procedure, fix prices in the budgetary procedure and provide the money accordingly.

I have a doubt about how this whole guarantee system works. When fixing prices and providing money for guarantee purposes, we should know more about what national aids there are. If this system worked, we should not have a difference of 30% between what a farmer in, say, Ireland and a farmer in France get for a particular commodity, such as beef or dairy produce. Yet this is the case: you have these differences. Last August, when the Commission introduced special aids, including extension of the intervention and aids to private storage, the price of beef actually fell in the part of the Community I come from, indicating that a guarantee given in this way does not guarantee the farmers' income and has done nothing to promote equality in this Community.

My last point is that I am sad that the structural side of this budget has continually been shrinking as a proportion. Only a year ago, this Parliament agreed that this proportion ought to be 20%. Since then, we have gone through this whole procedure and we now find that the Committee on Budgets has agreed on amendments which reduce the structural side of the agricultural budget to 3.9%. This is a grave injustice to the disadvantaged parts of this Community and prejudicial to the special measures which we all agreed in the Committee on Agriculture should be provided. It is an

indication that we are not preparing policies which can do any sort of justice to the poorer regions and disadvantaged areas.

Mr Maffre-Baugé (COM). — (FR) Mr President, ladies and gentlemen, to use the formula of a former French Minister for Agriculture, the Community agricultural budget is subject to the rule of collective idiocy, i.e. to budget discipline, that diabolical invention of the Council. This formula was not taken up, however, by the new French Minister for Agriculture, who approved such discipline within the framework of the 1986 budget. It has to be admitted that we can no longer expect a reversal of it at French governmental level.

Examination of the 1986 budget shows that the principle of budget discipline, which ought to cover all Community policies, in fact applies only to the agricultural sector. The EEC delegation to the National Assembly correctly recognizes that "Agriculture already looks like being the sacrificial sector of Community expenditure". We are not the only ones to say it. From next year the farmers are going to be caught between the anvil of budget discipline and the hammer of enlargement. But they are determined not to be crushed without a fight, and they will have our full support, both here and on the ground.

The first aim of our amendments is to break the yoke of budget discipline which surrounds the guidelines of the Commission Green Paper. By limiting the increase in agricultural expenditure to 2.4% for Ten, the Council and the Commission hope that the price freezes on many agricultural products and the administrative ceilings, such as milk quotas, will be maintained for the 1986-87 financial year.

Despite the approval of the Agriculture Committee, the Committee on Budgets has refused our proposal that a reserve be set up within the EAGGF to finance the next increase in agricultural prices, and that 600 million ECU be provided for the reserve out of taxation on vegetable fats. Although we are firmly opposed to the containment of agricultural expenditure, which depends to a large extent on the economic factors inherent in agriculture, neither are we in favour of allowing it to increase unheeded. There can only be really effective control of EAGGF expenditure if it is expressly redistributed, to the detriment of the people who are really responsible for the increase. That redistribution is made all the more necessary by the fact that enlargement will only exacerbate the competition between Mediterranean farmers.

The 1986 draft budget is significant in this respect, with the increase in agricultural expenditure for Twelve limited to 5.1% and the Council's refusal to take the expenditure associated with enlargement into account. Some people are very happy to profit from the new Spanish and Portuguese markets but refuse to bear the cost of their accession.

Maffre-Baugé

We are very pleased that the Committee on Budgets did, however, accept some of our amendments, which are intended to remedy the economic difficulties experienced by stock-farmers in particular: the increase in the premiums for suckler cows, disposal of stocks of beef and veal by distribution to the socially handicapped and the inclusion of preserved meat in food aid, renegotiation of the sheep regulations, especially to put an end to the unfair advantages still enjoyed by Great Britain. A lot of measures, which could provide a breathing space for some products. But they are not enough. That goes without saying. They must be extended, supplemented, by an improvement in the CAP, by making it more fair and more equitable, until it no longer penalizes family farming based on the exploitation of natural resources. That is why we are sorry that the committee rejected our amendment to modulate the third party co-responsibility levy, so as to exempt small producers and to tax the milk factories.

Yes, Mr President, Community agriculture still has a future, but only if there is a greater respect for principles and if it is given new ambitions. The farmers can believe in Europe only if Europe believes in its agriculture. That is unfortunately not so at present. Despite the blows to family agriculture, we shall not lay down our arms and we shall continue, Mr President, to fight to open up new perspectives for farmers in the Community.

Mr Guerneur (RDE). — (FR) Mr President, my group has already expressed here its conviction regarding a draft budget which disregards the undertakings given by the Community and seems to disregard the fact that in a few weeks' time it will be enlarged by Spain and Portugal. I shall not therefore dwell on the Council's denial of responsibility, its grandiloquent promises and its miserliness in providing the resources to back them up.

Nevertheless, I cannot simply leave the President of the Council to say that the Community budget has to be frozen like a national budget. It is rather sad to have to point out here that the Community has to be built up from day to day with new common policies by expanding financial resources, without which we shall have deceived the public and ruined the future of the European Union.

My speech, Mr President, will aim particularly to call the attention of this Assembly to the danger of sacrificing the budget for sea fishing on the eve of an enlargement which will bring about a real change of power in this economic sector. As you know, unlike the CAP, the common fisheries policy does not have to finance excess production. Its function is to preserve fish stocks in Community waters by means of strict management of resources in order to maintain an irreplaceable economic activity along the coastline.

Is there any need at this point to stress the danger which Spain's entry poses? The answer is simple, it lies in three necessities: strict and effective control of the accession treaty, aid to the new members for the necessary conversion of their fleets, encouragement to European sailors to take up deep-sea fishing outside Community waters. That, Mr President, is the justification for our fisheries sub-committee's proposals, which seek to reestablish a budget which has been dangerously ill-treated by the Council.

In emphasizing the fact that budget discipline is meaningless as far as fishing is concerned, I should like, as chairman of our sub-committee, to ask the Assembly to accept the amendments which my colleagues have voted. Eight measures: an EAGGF section specifically for fishing, administered by Directorate-General XIV; restoration of resources for the development of the common organization of markets in fisheries; effective control of fishing in Community waters; retention of the principle of aid to surveillance operations carried out by Member States; the creation — and I insist on this — of a Community centre for fisheries control, which is needed to coordinate action by Member States and to use computer techniques in an area where there is a serious lack of discipline (this is the object of Amendment No 62); aid for biological research and aquaculture projects which follow the path which Japan took a long time ago; incentives to experimental deep-sea operations and support for fisheries agreements with third countries; finally, financing of ships of over 33 metres, which is refused at present and which is a prerequisite of any policy of worldwide maritime expansion.

That, Mr President, is the minimum which the sea fishermen of the Community expect in order to safeguard their jobs and to continue in a trade which, as you know, does not count the cost and in which, it has to be said, people risk their lives.

Mr Graefe zu Baringdorf (ARC). — (DE) Mr President, it is the same old story, the trial of strength between Parliament and Council is over the budget, the area where Parliament has a tiny share in the decision-making. Parliament is to be answerable for decisions reached by the Council and for which the money will then not be forthcoming.

But during this dispute one thing is in danger of being lost from sight, the question of what are the purposes for which funds are being set aside, and what is the policy being pursued? Let me give a few examples from agriculture. There is the subsidy for skimmed milk for use as feed — billions are being squandered here. There is the subsidy for skimmed milk powder with 10% fat, which swallows up 500 million ECU. Funds are even being earmarked to store butteroil again in order to reduce the butter surpluses. But there is no money there to make butter cheaper for economically disadvantaged groups, no money for the

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rational use of full-cream milk, none for suckler cows. There is none set aside for the economically and socially disadvantaged groups.

But it is precisely this which we want, we want to see that those to whom it is declared — publicly at least — that the money will go do actually get it. We want export refunds for industrial manufactured goods to be deleted. We want export refunds for eggs to be deleted — the exporters here are industrial concerns, not farmers — and similarly the funds to modernize farms, which always means the loss of farmers' jobs. We want instead a redistribution of funds into development programmes which will leave farmers their existing jobs and production methods, essentially in the disadvantaged regions and primarily in an Integrated Mediterranean Programme, but one which will not force out the farmers and deprive them of their jobs as is already happening in other areas of the EC. We want a farming industry which is in harmony with the ecological requirements of an environment we consider the right one, and not one which has to be propped up by this and the next generation.

Mrs Castle (S). — Mr President, we are all agreed that this is a contemptible budget which shows that the Community is incapable of raising the resources to meet its own solemn obligations, whether on enlargement or on the Regional and Social Funds. What we ought to be asking ourselves in this debate is why it is incapable.

It is no good our wringing our hands and asking for forward financial planning when, under the Treaty of Rome, that is impossible, because it is under that Treaty that we have two types of expenditure. Agricultural expenditure is compulsory, which means that you can never have an agricultural estimate, just a series of assumptions. And if these assumptions prove wrong, you rush in a supplementary budget. Under that system also, all the other key items of expenditure, such as the Regional and Social Funds, are non-compulsory and therefore are crowded out.

The most important reform there could be to the Treaty of Rome would be to remove this basic discrepancy and to put all spending on an equal basis which can be planned properly. It is a great pity that Mr Spinelli never took that one on board.

The second great moral that we should draw from this budget and this debate is, as Mr Christodoulou says, that basic agricultural regulations should be and must be reformed. But surely it is clear that they never will be reformed unless this Parliament uses its budgetary powers to insist on backing up already agreed agricultural reforms through its voting on budget lines.

Take one obvious example. My Amendment No 449 seeks to reduce the money to be spent on export refunds on wheat. In 1985 the Commission moved,

with Council backing for the policy, that there should be a 3.6% reduction in the cereal price. Of course, when it came to the point, the Council of Ministers ran away from it. Now we have in this budget the following situation. The appropriation for 1985 stood at just about 500 million ECU. Yet for 1986, despite the cereal policy we are supposed to support, it is suggested that the appropriation for export refunds for wheat should go up to 780 million. That is to make a nonsense of agricultural reforms that we have already agreed. The Socialist Group supports Amendment No 449, and I challenge this Parliament, if it is serious in its talk about budgetary discipline and agricultural reform, to adopt that amendment overwhelmingly.

I am glad, Mr President, to see that the Committee on Budgets is supporting my Amendment No 432 on direct income aids. Let us make a start with a fundamental reform of the common agricultural policy. Unless we do, every year we will have the same budgetary farce and budgetary betrayal of the interests of the Community.

Mr Ferruccio Pisoni (PPE). — (IT) Mr President, ladies and gentlemen, the 1986 budget, like last year's, has a number of defects both as a financial and a political document, as Mr Christodoulou pointed out at length in his report. The budget as a whole does not reflect the global objectives of social and economic revival which Parliament has identified and strongly supports. It demonstrates the lack of imagination and immobility of the institutions at present.

If we take the agriculture and fisheries sectors, we see that the figures have remained frozen, with the result that this budget is pegged to the level of the 1985 appropriations and does not even take account of the rate of inflation in the intervening period. Agriculture, always regarded as the villain of the piece where spending is concerned, has had its share of the budget reduced, though not necessarily to the benefit of other policies which Parliament has asked to be developed. This reduction comes at a time when farmers' production costs are soaring and their incomes are gradually declining. There is, therefore, no margin for manoeuvre with regard to price adjustment for the 1986-87 marketing year.

Meanwhile the Green Paper, on reforming the mechanisms of the CAP confines itself almost entirely to the need to reorganize a single sector, namely, cereals. The budget continues to be unequally divided between the Guarantee and Guidance sectors; and the former, despite the juggling of figures and switching of sums from one chapter to another, reflects the incompetence of the current management of the CAP in the marketing sector. Yet it ought to be clear from a Community budget if the intention is to change course, reducing profits in sectors which are increasingly remote from farming to the advantage of sectors which are in difficulty since. Since the Green Paper

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cannot supply financial estimates and, at the same time, ignores the inadequacy of the budget, it cannot offer a genuine solution to the real problems of agriculture or hold out definite hopes for the diversification of production in sectors in surplus such as livestock raising, wine growing and olive production, which provide work for millions of farming families whose incomes are gradually being eroded as a result of increasingly restrictive measures. This applies, for example, to olive oil production, which would be penalized by an amendment seeking to deduct 120 million ECU from the appropriations for aid to producers and transfer them to a newly-created special reserve fund. We oppose this move because the arguments for the amendment are unsound and misleading, considering that this sector has been subject to unusually strict controls including the setting up of a special monitoring body, the introduction of a system of Community sanctions of an administrative or penal nature, the creation of an olive production scheme which has yet to be finalized, and the imposition of more stringent qualifying conditions for aid. The Boserup report bases its conclusions on the inquiry of the Court of Auditors into the 1981-83 marketing year before the introduction of the measures passed in July 1984.

Then there is the question of the EAGGF Guidance Section, which does not command the share of the budget which is its due. At a time when we wish — and ought — to abandon criteria rewarding the production of quantity rather than quality, since only quality can pay the farmer at present, the Council has made the same mistake again and reduced appropriations. We do not believe that this is the way to reduce social and economic disparities between the regions of the Community; nor, we believe, does the solution lie with the Green Paper's proposal to replace conversion programmes for the production of items in deficit by direct income aid for producers. While it is true that the budget must adapt to the market, it is no less true that it should guide the market towards areas in which domestic production is in deficit, provided that the options chosen are designed to benefit family farms and young farmers rather than firms which have no direct link with the land but have been responsible for the creation of increasingly unmanageable surpluses both inside and outside the Community. It is only by exploiting farmers' unique skills, which guarantee the preservation of the environment and of rural society, that we can restore the shattered balance between agricultural production and the land and provide the farming community with the definite long-term prospect of guaranteed incomes and improved standards of living. Even if they are adopted, the amendments proposed by the Committee on Agriculture will only go a little way towards remedying the existing situation. Let us hope that Parliament supports them.

Mr Romeos (S). — (GR) Mr President, my dear colleagues, the 1986 budget, as drawn up by the Council, deals a heavy blow to the common agricultural policy,

a blow which will have serious consequences for the future of many farmers.

The sizeable reduction in EAGGF credits coincides with the entry into the Community of two predominantly agricultural countries. It also coincides with the debate on the reform of the common agricultural policy. With the economic limits mapped out in the agricultural sector by the Council's 1986 budget, any future efforts for a new policy which would ensure balanced development for European agriculture and security of income for European farmers are undermined.

The substantial cut in credits for the Guarantee Section of the EAGGF certainly cuts the ground from under the common organization of markets and reduces farmers' incomes.

The Commission of the EEC, in its Green Paper, has suggested a limited prices policy, but accompanies this with supplementary measures with proposals for income support.

This is one of the fundamental new elements of the new agricultural policy, which, however, has still made no progress and has not yet been adopted. Therefore, until this new policy takes definite shape and is adopted, any limited prices policy will clearly affect agricultural incomes adversely.

However, the Council's policy towards the Guidance Section of the EAGGF is even more disappointing. The increase in appropriations is insignificant in view of the entry of two — and I repeat — predominantly agricultural countries.

We all agree that a new agricultural policy should aim at a European agriculture which is competitive and free of surpluses, but also an agriculture which will safeguard the incomes of all farmers, and which will reduce disparities in income. But when, within the Guidance Section, no chance is given for the policy to be restructured and reinforced, then we are certainly heading for serious consequences.

We must all be in agreement that a policy on agriculture has to aim at the convergence of the various economies, on the basis of the principles enshrined in the Treaty of Rome, in other words, the principles of Community preference and solidarity.

How, however, can these aims be achieved with a budget drawn up on clearly monetary criteria?

Does the Council not understand that all that these deep cuts in the Guarantee Section and the effective freezing of appropriations for the Guidance Section will achieve is a setback for agriculture and an increase in the numbers of unemployed, with the farmers who will be forced to abandon agriculture?

Romeos

The Committee on Agriculture and the Committee on Budgets have tried, through their amendments, to effect some improvements. If these amendments are adopted, they will certainly improve matters; they will not, however, bring about any real changes.

Finally, Mr President, I should just like to stress that this policy introduced through the new budget is a policy which, if selected, will have damaging effects especially on the southern countries.

Mr Ebel (PPE). — *(DE)* Mr President, ladies and gentlemen, for myself and my Group there is no doubt, especially in view of the expansion of the Community to include Spain and Portugal, that a properly operated fisheries policy, i.e. one geared to the realities and needs of the situation, requires different appropriations from the ones now under discussion before us. This applies most particularly to the appropriations decreed by the Council for the forthcoming 1986 budget year.

For when we look at these figures, we cannot but have the impression that the precept followed here was 'what must not be, cannot be'. With the positively perfidious intention of limiting as far as possible the room for manoeuvre of the legitimate partner to this operation, that is to say Parliament, two things have been done: on the one hand percentage cuts to the individual budget lines, in accordance with the 'watering can' principle, whilst on the other hand the Council boasts that it has made percentage increases compared with 1985, but gives not one jot of proof that its appropriations are more correct and thus more 'appropriate' than those made by the Commission. As this is consistently the case, the impartial observer must conclude that the Commission is incapable of deciding on the real, necessary and thus correct appropriations, and naturally Parliament too. I believe it will thus be more than necessary in the coming year to devise a system which will provide proof, not at the end but during the course of 1986, of who is right here and whose policy is right.

Given this background, there would seem to be no point in arguing further about the low level of appropriations. We thus accept, for fisheries policy too, the strategy agreed on by the Committee on Budgets and the groups and gratefully acknowledge the fact that the committee and particularly its general rapporteur have, within the room for manoeuvre available to them, made meaningful repairs to the Community's heavily listing fisheries policy. No cause for jubilation, indeed, but no cause for despair either.

Budget Article 410 in my view requires correction of a misunderstanding in the Committee on Budgets. The issue here is not to continue participation in special inspection and surveillance measures for Denmark and Ireland — these measures have long since been completed — but new measures which are virtually certain

to be required of us for other countries, particularly Spain and Portugal. I think it is thus opportune and necessary for us to reconfirm the two proposed token entries when we vote on Thursday.

Mr Pannella (NI). — *(FR)* Mr President, unless I am very much mistaken, there is no Commissioner present at this debate.

I would request therefore that we wait until the Commissioner arrives before continuing with our debate. I think that that is the very least we can do.

President. — Mr Pannella, the Commission was represented here until just a short while ago. In fact, the Commissioner who was present has left the Chamber just this very moment. I presume that he will be back again before long. At any rate I should like to get on with the speeches and I would ask the Commission people to see to it that the Commissioner on duty returns to the Chamber.

Mr Bonde (ARC). — *(DA)* Mr President, it does not matter all that much that the Commission is not present; it does not usually listen to my advice in any case. But war has broken out again between the institutions, with Parliament's greatest overstepping of its margin of manoeuvre so far. We support the Council of Ministers in this battle — let that be clear! Not because we agree with the Council's decisions but because the right of veto rests with the Council of Ministers and not with this Assembly. But nobody in this Assembly knows what we shall be voting on on Thursday, nor do the voters in our Member States. We know the amounts of expenditure, chapter by chapter, but what the money will actually be used for is difficult to determine.

Who is to get the money, which in the Danish debate is being called billion hand-outs to Danish agriculture? 1984 was the best year yet for Danish agriculture. The net income per farm more than doubled from 50 000 to 107 600 kroner. But incomes vary by amazing amounts. Pigmeat producers earned an average of 170 100 kroner, while farmers with dairy cows only earned 77 200 kroner, in other words, substantially less than half. For pigmeat producers there is by and large no EEC subsidy. The export subsidies are in effect only a compensation for the higher feed prices in the Community. The less EEC involvement there is, it seems, the better off our farmers are.

In the dairy sector there is a great deal of expenditure under the Community budget, but the money does not go into the pockets of our farmers. Where does it go then? Who are the five biggest individual beneficiaries under each budget item? The biggest single item of EEC subsidy to Denmark consists of the export refunds, which last year amounted to 4.7 billion kroner. Of this 62% went on dairy products, beef and

Bonde

veal. The next largest single item was 852 million kroner under the skimmed milk arrangements. In the old days farmers used to consume the skimmed milk directly on their farms. Now the same end-effect is achieved by politically ordained inflated prices, by subsidies for the conversion of the milk to powder, by subsidies for the storage of the powder, by subsidies for the denaturing of the powder and finally by subsidies to enable the farmers to buy back the milk. But where are the farmers who have become rich from this cockeyed system? The third largest item of revenue for Denmark is the intervention for beef and veal, at 389 million. In what society do people grow richer through allowing products to accumulate in stockpiles? The fourth largest subsidy is the intervention for grain, and the fifth largest is a compensatory arrangement for stocks of sugar.

Is it not time to break with the nonsense of secrecy and fully inform the public on what happens to the EEC money? It would raise an outcry in all the newspapers if it emerged, for example, that an industrial firm had received a tax refund bigger than its total wage bill. But, when it is a question of EEC subsidies, it is apparently quite in order for the taxpayers and consumers to pay huge amounts for the purpose of guaranteeing farmers' incomes, while in the real world the subsidies actually end up anywhere but in the pockets of the farmers. Otherwise it would not be possible to operate a system of Community handouts to Danish milk producers which are higher than the combined income of the milk producers.

It is my impression that substantially lower subsidies to agriculture would make it possible for Denmark to apply an independent agricultural policy which would provide more employment and higher currency earnings for the Danish economy. The Community's crazy system has become a millstone round the neck of agriculture and, whether we stay in or leave the Community, there is a need to switch agricultural production to products which can be sold without massive subsidies. How would the Danish textile industry have got on if, instead of reorganizing itself, it had been covered by an EEC policy providing for the stockpiling of unsaleable shirts, subsidies for sewing on buttons and subsidies for taking them off again? Why are these arrangements the height of wisdom in the field of agriculture?

ENERGY, RESEARCH AND TECHNOLOGY

Mrs Lizin (S). — (FR) Mr President, ladies and gentlemen, I should like to point out that the section which deals with research begins with energy, and although my colleague, Mr Pannella, has said that there are no Commissioners present, I hope that the officials who are here will listen carefully and report back. For my part I regret that the Council is not here, because I believe we have to deal mainly with the

Council in this matter, and certainly most of our criticisms are directed at the Council.

As the Socialist group spokesman on the energy and research budget, I should like today to draw attention to the inadequacy of the budget lines at present specifically set aside for research. We are aware of our weaknesses, we realize how we lag behind when we come back from the United States or Japan. The evidence is striking and, as we so often say, requires rapid action to reevaluate our priorities. We know that, and yet this year once again the draft budget laid before us is feeble, disproportionately strait in comparison to our needs.

It is true that it is not just public budgets, and the European budgets in particular, which are never equal to the research effort. But their role, even if it is only to prime the pump, cannot be effective unless it reaches a certain financial threshold, and that is not the case where the present budget is concerned, despite the many speeches made in this Assembly, including the whole week of debates which our Parliament spent on it. Despite that, we called for an increase from the present 3% to a minimum of 6%, and we are far from that.

The first example is perhaps the most indicative of the danger which threatens Europe's capacity for planning its research in a harmonious, coordinated way, so as to maximize its effectiveness: that is the way in which the European budget approaches Eureka.

The Commission ignores it, assuming somehow that it is a process which goes on outside its own structures. And now it is Parliament which is trying to point out that a project of this kind will receive unanimity from the States, especially the smaller ones, only if it is coordinated by an institution like the Commission.

That is why our group will support the Budgets Committee's amendment, which earmarks 20 million units of account in commitments and a p.m. in payments, as the philosophy behind this amendment is identical to that which we defended in the Energy Committee.

In fact a simple *pour mémoire* is insufficient as a first step, because from this year responsibility for the function of coordination has to be assumed, directly or indirectly. That is why we want a firm and precise commitment.

For our group the new Chapter 78 must also allow the transfer of industrial projects which at present appear in Chapter 77, in the case of major industrial projects which embody some of the main aspects of Eureka research.

Second example: the FAST programme. For our group, priority must be given to this horizontal programme, which is intended to define the broad outlines of future policies for European society. We

Lizin

therefore want it to appear at the top of Chapter 73 and call for the appropriations to be increased.

Third example: our group would like the global budget for the Ispra Joint Research Centre to be maintained, but considers that the manpower of the Centre should be transferred to the Ispra "environment" programme.

Finally, and on a more general level, our group would like to see the reinstatement of important lines which were deleted, in our view irregularly.

Projects in the field of new and renewable energy sources, energy cost studies, studies of the transport of radioactive materials, research projects in the field of technology and industry, studies in the steel sector — this is a small line, but important for the steel sector — research linked to development, with, under this particular heading, a line for medical research into AIDS, the RACE budget, the budget for dissemination, transfer and optimum use of knowledge, the Community project for the development of information technologies, and the project on information technology in education.

These, Mr President, ladies and gentlemen, are the priorities of the Socialist Group, intended to give concrete expression to the importance of both pure and applied research in a Europe whose future, economic as well as social, depends on it.

The Socialists have no desire to generate research policy for its own sake, and consider that it is not necessarily synonymous with progress, but it is a *sine qua non* of the revitalization of our European society and therefore, in the medium or longer term, of an improvement in social justice.

Mr Mallet (PPE). — (FR) Mr President, I shall not repeat here what I said summarily on behalf of the Committee for Energy, Research and Technology yesterday. Today everyone agrees that the development of research and innovation is a prime objective for Europe and essential to its survival in the face of competition from the United States and Japan. It also has to be said that the provision made for it in the budget is miserable and derisory. We are a long way from the objective defined by the European Commission of increasing that provision from 3% to 6% from 1988.

In order to escape from this situation, we must loosen the yoke of budget discipline. But the legitimate concern for efficiency and the control good management requires are not enough for it. It shows that in actual fact, excuse my outspokenness, the government of the Community is being left to the Finance Ministers, I mean the national finance administrations. Their natural inclination, I know this from my own country, is to look for a fair return, and ultimately to conclude that there is no need to reroute funds through the

Community budget. A budget should be the expression and the instrument of a policy. We have reached the inverse and perverse situation where Community policy is nothing more than the expression and instrument of a budget management which is either systematically Malthusian, or based purely on accounting principles. There is more concern over reducing Europe's expenditure than over strengthening its actions. The obsession with cost takes precedence over the improvement of the substance.

That is not all. A campaign has been launched against the Brussels bureaucracy, which is said to be incapable of building a technological Europe, as though the national bureaucracies were not more cumbersome by far. It is an unfair campaign. Pre-launch research, the studies carried out by the Commission as part of a multiannual programme, remain the essential basis of a coherent and effective effort towards industrial innovation. The Esprit programme for information technology has demonstrated the Commission's ability to carry out joint action with undertakings which are partly financed from public funds. Moreover, it is also possible to equip certain Community sectoral programmes with a variable geometry.

Finally, to refer to a problem mentioned by Mrs Lizin just now, we are disturbed to see that Eureka is taking shape, a very positive thing, but outside the Community, apparently regarding the Commission's proposals for a European technological community as null and void.

We are worried, firstly because this project, which is laudable in principle, must be part of a joint strategy, if it is to make the optimum use of limited human and material resources. Secondly, because the implementation of it is inseparable from the creation of the greater European domestic market, and in particular the unification of standards and the progressive opening up of public purchasing. Thirdly, because long-term projects are involved which cannot manage without public funds, both national and Community.

Without mentioning figures, which could only be arbitrary at this stage, Mrs Lizin, we therefore think it expedient that provision be made for a Community budget contribution towards realization of the Eureka project. And, I repeat, the Europe of technology cannot be separated from the Europe of the Community; the success of technological Europe and the future of the Community both depend on the union of them, including the choice of a small flexible secretariat, but one which is close to the Commission. For our part we are not prepared to resign ourselves to regarding it as a sickbay for sectors in crisis.

I am coming to the end. The budget crisis, which has been provoked once again by the Council's short-sightedness — is it just short-sightedness? — and which Parliament, like a responsible partner, is trying to resolve, opens up a far more fundamental debate.

Mallet

What is at stake is nothing less than the very nature, the objectives, the resources of the European Community and its ability to meet future challenges.

Let our ministers, who, I am told, are absent at the moment, look beyond short-term considerations to the great debate over our future.

IN THE CHAIR: MR MØLLER*Vice-President*

Mr Turner (ED). — Mr President, I am very glad to support what both the previous speakers have said, particularly about Eureka. I am also glad that the Committee on budgets has restored, or intends to restore, the Commission's preliminary draft budget, which was moderate in the extreme. It is really and truly fatuous that we have to fight over one two-thousandth of the budget for the sort of things we need in technology, but that is what we have to do.

When you consider that the national expenditures on research and development amount to 20 billion ECU and that the Community spends just 4% of that, i.e. 0.8 billion ECU, then that is obviously far too little.

This year there has been much heart-searching in the EEC, and I believe that it is now generally recognized that we need a European strategic research and development. Clearly, therefore, we need a further shift from national expenditure to Community expenditure to bring that figure far above the 4% we now have. Esprit, Race and Biotechnology are all examples of starting this up, but each one has been a terrible struggle. As to Eureka, it is vital that we apply the same principles to it. It is not good enough that Eureka should merely be an intergovernmental agreement between the States, it is vital that we include a genuine Community component in Eureka as such. I detected in Mrs Lizin's and possibly Mr Mallet's speeches the fear that they had already lost. May I say that we have not lost yet, and we intend to win. There is still time to get this intergovernmental organization on a broader and more European basis.

Mr President, there are national debates going on about how much a central government should spend on research and development and how much should be left to industrial initiative. Those are legitimate issues, and there is a difference, I believe, between the French Government's response at the moment and the British Government's. Nonetheless, when you come to Europe, the position is different. Here we do need extra pump-priming from the centre in research and development to assist and coordinate and to encourage cross-frontier links between universities and industries in the EEC. It is all very well in national

politics to say that we do not need central government money; in Europe we still do because we have a problem they have not got. We are trying to get people — university professors, students and companies — to cross the frontiers and go in for joint ventures. For that we still need pump-priming.

May I finally come back to Eureka again. The challenge or threat from SDI is that the building up of American civil industry and university infrastructure in R & D will be absolutely immense. Eureka has not yet started to meet that challenge. It is true, as Mr Mallet said, that some good projects have come forward. Certainly, but there is no indication whatsoever of a European level of strategic research and development, and that is what we need and that is what Eureka must give. Anybody who says that Eureka has gone, that it won't do that, that it is a mere national thing, is giving up too soon. We must ensure that we get in Eureka a strategic research and development on a European basis. If we do that, in 15 years time we shall have designs for products which will sell on the market. That is what strategic research and development means — designing for 10 or 15 years ahead. If we do not, we shall be as far behind in 15 years because of SDI as we were 15 years after the United States moon shot. At that time we were hopelessly behind because of all the money that got poured into American industry and universities in connection with the moon shot.

Mr President, may I appeal to this House to go on and on saying that Eureka must be a European-based research on a strategic level and not to give in at this stage and say: it has gone its own way at Hanover, we must let it go its own way. We have not come to that yet. May I urge the Commission, which is still sitting there, not to give up hope quite so soon, as one sometimes hears it is doing, on Eureka. Fight and fight again on Eureka and you can still win, and we will support you.

(Applause)

Mr Staes (ARC). — (NL) Mr President, my decision to join the parliamentary committee that concerns itself with energy, research and technology was not the expression of a political hobby: I have never worked in any of these sectors. Nor was it prompted by political lobbies: I do not represent any interests of an industrial or commercial nature, even of firms in the alternative energy or biological-ecological sector. Nor do I want to wage war on any form of new technology.

We ecologists do not naively romanticize the oil lamp, grandmother's coffee pot or the farmhouse. I can therefore reassure Fernand Herman of the EPP: he said in a recent interview with *Le Soir* that all the political groups in this Parliament except the ecologists were in favour of the new technologies.

Staas

What primarily concerns us in this sector is this: to what extent can the main options in the areas of energy generation and technological applications help to create here in Europe, as part of a world society and thus in the obvious context of world solidarity, more democracy, more defence of human rights, more justice, more equal rights and, on the other hand, less oppression and exploitation, less danger and insecurity, less hardship, less waste of energy and raw materials, less frantic consumption, rivalry and competition, less encroachment on civilization and consequently less threat to chances of survival, in the interests of tomorrow's world and future generations.

We ecologists are thus particularly interested in the future. This Parliament's decision to set up a bureau to evaluate the new technologies followed a proposal and an initiative of the ecologists. What is Parliament doing now? When it comes to backing the nuclear energy lobby or joining in the general euphoria over the new technologies, there is no stopping the majority of members. But when it comes to defending democracy in all this and so to making choices, I see certain members even managing to endorse both coal production and nuclear energy. How they reconcile the two, they have yet to explain, to the workers in the coal industry, for example.

Our first objective as democratically elected representatives must be to make it clear what the society that has elected us regards as being the basic social priorities. Energy and technology policies play an important role in this. Our duty in this Parliament is not to be know-alls. But we do have a duty to ensure that at long last a broad social debate takes place on energy and technology so that we can draw honest conclusions. What is more, the opportunities offered by the new technologies could play a significant role in this process. It may then emerge from the priorities set by the public what part industry, for example, has to play in this context. Otherwise, industry will be placing itself outside society and thus outside democracy.

I find precious little of any of this in the draft budget, which again ignores democracy and is again an expression of *faits accomplis*. How we ecologists interpret all this is clear from our amendments. The only conclusion to be drawn from what I have said is that we have no alternative but to vote against this draft budget, if only because of the policy on energy, research and technology it reflects.

Mr President, I am opposed to any form of totalitarianism, regardless of the part of the world or the sector in which it may occur. That is why I want no part of the totalitarianism of the new technologies. For I do not believe the way in which they are now being handled has anything to do with 'contemporary requirements'. They are completely different, in our opinion.

SOCIAL AFFAIRS

Mrs Dury (S). — (FR) Mr President, the social section of the budget is always at the heart of our discussions. How could it be otherwise, when one sees the extent of the burden of the present, namely, 13 million unemployed, increasing poverty, sections of society which are excluded completely from the benefits of that society, and also the enormous need for vocational training and education for young people. In relation to this present burden, the budget submitted to us does not even want to take on the past or to respect past commitments.

In the texts which the Council has laid before us I would have preferred the expression "future mitigation", mitigation of the future, in the sense in which Victor Hugo spoke of the future, when he said, "Something of ourselves is always passed on to our children and there is always a measure of the present which is carried on into that future. Civilization goes through many phases, and they are always guided by the preceding ones". It seems to me that Victor Hugo had a better understanding of the meaning of commitments than the Council does and that he was perhaps better than the Commission at evaluating the commitments which have been given. That is what lies at the heart of the Social Fund debate: payment appropriations and commitment appropriations.

I should like to say two things about this "burden of the past", a phrase with which I took issue just now. The first is that the past of which we are speaking is an extremely recent one and that the commitments are not long-standing ones, quite the contrary. The second is that one of the reasons why we are now faced with difficulties is that the rules of the Social Fund have been changed and the Council and the Commission have not assessed the consequences properly.

I remember acting as a kind of Cassandra last year, as rapporteur for the Committee on Social Affairs and Employment. At that point the Commission had asked us not to comply with the rules of the Social Fund. And it is true that if the rules of the Social Fund had been complied with, the payment appropriation which we would have had to underwrite and pay would have been too large. May I say in this circle, which is more intimate than usual, that the European Parliament listened to my arguments and did not want to break through the ceiling of its budget margin, and we are now going to have to pay for the consequences. The argument is that, on the one hand, the rules of the Social Fund should be respected in their entirety and, on the other, that a number of commitments which we had given in view of the changes in the rules are going to be far greater and, finally, that we are deferring to future years the commitments we have given.

The present consequence is that if we go along with the Council's budget, as it has been laid before us,

Dury

only one-third of the new applications which are eligible under the Social Fund could be supported.

The question I should like to put to the Council is this: how are we to explain to young people, to women, to all those who need training, to all the local authorities which are introducing new policies, that for reasons of budget stringency Social Fund initiatives are being slowed down to a snail's pace? It is not in the plush corridors of this Assembly that this will have to be explained, but in each of our Member States. There too we have responsible governments. The consequences of the Council's attitude towards the Social Fund are likely to be disastrous, not just for those who want to fight unemployment now but also for those who have to explain at grass roots level that they no longer believe in Europe.

I should like to say, Mr President, that the European Parliament has an open-minded attitude towards these payment appropriations. For my part, as a Socialist, I would have preferred to adopt the budget submitted by the Commission as it stands. But Parliament's present approach, wise as it is, does perhaps open up discussions with the Council and so makes it possible to save the policies.

I should now like to speak not just to payment appropriations, but also to commitment appropriations. Here too, I am addressing the Commission. The Commissioner warned us against a policy of rushing ahead with our commitment appropriations. For my part, I think that these commitment appropriations must be retained, otherwise the imbalance will be enhanced. Now that we have fixed the share of the Social Fund in the overall budget at 10% in five years' time, and since we want to keep that proportion, if we now hold back this wish to, dare I say it, start up policies, we shall never attain that objective and the actual share of the Social Fund in the overall budget might be reduced still further.

How is one to explain this will which I can feel at present and which wants to smash the Community's social policy and to smash the Social Fund as well? How is one to explain it at a time when Community solidarity is more necessary than ever? Jacques Delors himself, when speaking of the great internal market which has to be created in Europe, links it absolutely to policies of solidarity and to social policies. I now have the impression that the policy of solidarity is a bit like what happened to Berenice: one told her one loved her, but one could no longer live with her.

What I should like to say, and I shall end with this, is that I do not believe the Social Fund is perfect. I believe that, for the time being, management of it is sometimes more than difficult, which does, of course, provide an opportunity for criticizing the social policy of the European Community. The management of it is not strict enough, it does not give enough satisfaction,

but it is an instrument of solidarity, which we must preserve.

I should also like to say, Mr President, that in this social budget, there is not just the Social Fund, there are other policies. I spoke just now about the groups which are sometimes excluded from our society. I shall first mention the problem of migrant workers, which has already been discussed here, since a report has been drawn up by Mrs Marinaro. I believe these migrant workers should also have the benefit of European policies and of solidarity. That was one of the important aspects which we defended on behalf of the Socialists before the Committee on Social Affairs and Employment, along with the increase in poverty. There is no doubt that this is the consequence of the social policies of different countries. And here too, there must be European solidarity.

All these budget lines, Mr President, are important facts for us too. These items will not resolve all the social problems which are present in our Member States. It is though, a guarantee for the citizens of Europe that the European Community at least has some concern for them.

Mrs Maij-Weggen (PPE). — (NL) Mr President, on behalf of my group I should like to say a few words about the part of the budget that concerns the European Social Fund.

Mrs Giannakou, draftsman of the opinion of the Committee on Social Affairs and Employment, has already explained how disappointed we are in the Council for having cut the Social Fund so severely. This is all the more surprising as the Council has recently adopted two major resolutions on the fight against unemployment, one in late 1984, calling for Community action to combat long-term unemployment, and the other in June 1985, which refers to a Community programme of action to combat unemployment. Both resolutions refer to the European Social Fund as a means of financing this kind of programme. If the Council adopts such resolutions, it can surely be assumed that it is prepared to pay for what it has itself resolved. But there is no sign of this in the Council's draft budget.

I should like to refer the Council to another inconsistency in its position. If I am correctly informed — and Mrs Dury has just been talking about this — the Member States have applied for more than three times as much money from the Social Fund in 1986 as the maximum available. My question is this: how is it possible, on the one hand, for the Employment Ministers to apply for so much money from the Social Fund when, on the other hand, the Social Affairs Ministers reduce the Social Fund? Surely the ministries in the various Member States consult each other. Or have the Finance Ministers no idea what applications the Social Affairs Ministers submit to the European Community?

Maij-Weggen

It rather looks as if these ministries work in total isolation from each other.

And then there is a third inconsistency in the Council's attitude towards the European Social Fund. In past years the commitment appropriations for the Social Fund were systematically increased by the Council, with Parliament's support incidentally, while the payment appropriations were kept fairly low. In other words, more was systematically promised than was ultimately done. A child can work out that a strategy of this kind is doomed to failure, and that is what has happened this year. The Commission now faces the prospect in 1986 of a pile of unpaid bills from the past amounting to over 500 million ECU. Like the Committee on Social Affairs and Employment, my group considers this unacceptable and feels order should be restored. This cannot be done by subtracting the payments from the margin Parliament is allowed. We are therefore forwarding the bill to the Council itself, because it was after all partly responsible for this development.

My fourth and final point illustrates how inconsistent the Council is. On 1 January Spain and Portugal will join our Community. These two Member States have a great deal of strength, but they also have many problems. Spain has 17% unemployment, Portugal 25%. The average for the Community fluctuates around 11%. This means that the European Social Fund has a great deal of work to do to help these two Member States. We might therefore have expected the Council to take this into account. But what do we find? The Council has in fact done the opposite. It is rather like an employer who says to one of his workers: 'Congratulations on having twins. I shall now be reducing your wage by 20%.' That is what it amounts to.

As you will have gathered, my group is very critical of what the Council has done. We believe the Council has acted very inconsistently and that what it is doing conflicts in every way with its own premises.

Mrs Giannakou, the draftsman of the opinion of the Committee on Social Affairs and Employment, and Mr Christodoulou, the general rapporteur, have proposed a substantial increase in the European Social Fund in line with the Commission's proposals. We of the Christian-Democratic Group will support these proposals, and we ask the members of the other groups to do the same. I hope that at the second reading the Council will abandon the inconsistent attitude it has so far adopted.

Mr Welsh (ED), Chairman of the Committee on Social Affairs and Employment. — Mr President, Mrs Giannakou represented the views of the Committee on Social Affairs and Employment and I compliment her on the way she did so.

I speak as usual in this place entirely for myself and I shall address myself exclusively to the problem of the Social Fund.

May I, Mr President, take you on a little trip down memory lane and go back for a minute to the very beginning of this particular budgetary procedure. The European Commission, in its wisdom, proposed a budget for the Social Fund for 1986 which provided 2.4 billion ECU in commitments, and increase of 5.1% over 1985, and in payments the very considerable sum of 2.399 billion ECU. The payments side was split into two figures: 1.1 billion for advances for 1986 and no less than 1.2 billion for the so called 'weight of the past'. Now what they mean by the weight of the past is that the Community has incurred obligations to its citizens and indeed to the organs of its Member States to pay out money on certain projects. This weight of the past represents undischarged obligations going back to 1984, and that is why we saw this massive increase of no less than 70% proposed in the payments side of the column. The Council in its draft budget took flight. They proposed a commitment figure of 2.183 billion ECU, almost exactly the same as 1985, and for payments they took the 1985 figure of 1.4 billion and added an extra 37 million ECU to take account of Integrated Mediterranean Programmes. So the Council's position was to return exactly to the position of 1984.

Now one must assume that the Council understand their own regulations and the legal obligations that they themselves have accepted. The Council must therefore have known that the 2.1 billion ECU they put into commitments would necessarily generate a payments figure of 1.069 billion, because under the Social Fund regulation, Mr President, as you will certainly know, 50% of the commitments in any given year have to be advanced against new operations. Assuming that the Council understood its own logic, they actually attributed to this weight of the past — a figure that the Commission thought was 1.2 billion — a beggarly 337 million ECU. So the Council was prepared to put 337 million ECU towards existing obligations of over a billion. We then in the Committee on Social Affairs and Employment examined this sorry position, and essentially the Committee, with great prudence, decided that it would adopt the position of the Council as regards future payments and future advances. After all, the Council in the end is responsible for raising the money and it is the Council who have got us in this mess because they have consistently refused to come up with the amount in payments to justify the commitments that they themselves have taken on board and we took the Commission's figure of 1.2 billion ECU in payments for the weight of the past. Because it seemed to us, as a committee, that that was the only honest thing to do, and we were not as a committee prepared to incur new obligations, new bills, when we had not actually been able as a community to satisfy the obligations that we actually had.

Well, that perhaps was a prudent position. But then the Committee on Budgets came to look at the whole matter. Now I fully understand the difficulties that the Committee on Budgets faces, but unfortunately, in

Welsh

reaching their general amendment, they departed from the principle that the Committee on Social Affairs clearly adopted and put in the commitments column the Council's and the committee's original figure. But that leaves them short of no less than 351 million ECU to satisfy the weight of the past. In other words, the Committee on Budgets, to some extent, have followed the Council in incurring new obligations while being unprepared to satisfy the ones that exist.

Now my own view — and here I part company with my committee though not perhaps with my group — is that if this is to be an honest budget, then the Christodoulou compromise must be reflected in the commitments that Parliament endorses for future operations and that the principle of discharging existing obligations must be paramount. If one pursues that line, then that would necessitate a cut in the commitments figures as proposed by both the Council *and* the Committee on Budgets of approximately 400 million ECU, bringing the commitment figure down to 1.7 billion.

Now that would be an honest thing to do, because it would reflect the exactitude of the regulation and it would be showing that Parliament was controlling what was being done by insisting that the money it voted was used to defray those prior obligations before taking on new ones. Unfortunately, I suspect a majority of Parliament would not follow that route, but I do commend it to the Commission *and* the Council, because this year 1986, as Mr Christodoulou himself has said, is above all a year when we need to clear things up. We need to get out of the sorry state where we owe our people 1.2 billion ECU which we are not prepared to pay. Now the Council have made serious criticisms of the management of the Social Fund by the Commission. That presumably is why they were only prepared to provide a beggarly 337 million ECU for this overwhelming weight of the past.

It cannot, of course, be explained merely by bad management, but my committee is sufficiently susceptible to these criticisms to wish to organize a hearing, probably in January, when we will examine with senior Commission officials the whole question of the operation and management of the Social Fund and invite the critics from the Member States and the operating organizations to come and present their point of view. That is the honest way to go about it — that is the way to clear up the mess — but in the meantime for Heaven's sake, Mr President, do not let us make the same error again and take on commitments that we know perfectly well are never going to be discharged.

REGIONAL POLICY

Mr O'Donnell (PPE). — Mr President, the European Regional Development Fund is one of the most important instruments of Community policy. Since its

introduction the ERDF has been grossly under-financed and, as a result, regional disparities have been continuously worsening. The gap between the richest and poorest regions has been widening all the time. This fact was recognized by the Heads of State meeting at Fontainebleau, when it was agreed that a substantial increase in the ERDF was absolutely essential and urgent.

It was reasonable to expect, therefore, that the 1986 draft budget would have accepted the thinking at Fontainebleau and that provision would have been made for a substantial increase in the appropriations for a regional policy in that draft budget. Unfortunately, however, this draft budget follows the same pattern as previous budgets in that the appropriations in the regional policy area are grossly inadequate to meet the regional needs of this Community. The relatively modest proposals by the Commission have been savagely cut by the Council.

The 1986 budget is a very important one for regional policy. In 1986 the ERDF assumes new importance and the demands on the funds will be much greater than in previous years. The accession of Spain and Portugal, the demands of the Integrated Mediterranean Programmes and the urgent need to apply the methodology of the Integrated Mediterranean Programmes to the seriously underdeveloped and depressed peripheral regions in the North-West of the Community, such as Ireland and certain regions in England, Scotland and Wales, combine with other factors to make up an unanswerable case for giving regional policy special priority in the 1986 budget. Instead, the Council has acted in a totally irresponsible and indefensible way. Reductions have been made by the Council which would mean a savage cut in real terms in the contribution by the ERDF to solving regional problems in the Community of Ten. Secondly, they would mean a totally inadequate allocation for the new Member States. This attitude of the Council, Mr President, is difficult to understand. However, there are indications that the Council now seems to be aware of the incoherence of its position. For that reason it is important that Parliament insist on the Council rectifying its mistakes.

All the economic data available to us point to the need for a massive increase in the ERDF which has as one of its main objectives the expansion of employment in the least prosperous and most depressed regions of the Community. Official statistics show that the growth in unemployment has not lessened and in fact is accelerating, particularly in those Member States, such as Ireland and Greece, which are especially dependent on the ERDF. Inflation rates have also been consistently higher in these same regions. The real level of provision for the ten Member States is even lower than it appears at first sight when it is realized that the ERDF is to contribute to the financing of Integrated Mediterranean Programmes in 1986.

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I believe it is very important that adequate finance be provided to enable the IMPs to be developed to their full potential. I believe it would be an absolute disaster for the Community regional policy if the Integrated Mediterranean Programmes were to fail through inadequate finance.

The accession of Spain and Portugal will alter considerably the regional profile of this Community, adding a substantial new geographical area with enormous regional disparities. This factor alone serves to emphasize the magnitude of the regional problems facing the Community of Twelve and the gross inadequacy of the countless provisions for the ERDF in the 1986 draft budget. If the Community is to formulate and implement an appropriate regional policy, not only is adequate finance necessary but adequate staff must be provided to enable the Commission to discharge its responsibilities efficiently.

The Committee on Regional Policy and Regional Planning has tabled an amendment calling for an additional 39 staff. Last year the Commission sought an additional 51 staff and was given 12. The Committee on Regional Policy and Regional Planning wish to have the remaining 39 provided in the 1986 budget.

In conclusion, Mr President, the greatest challenge facing the Community on the eve of enlargement is the challenge of formulating and financing a realistic and coherent Community regional policy. The draft budget for 1986 shows that the Council has not yet realized or recognized this fundamental fact.

Mr Hutton (ED). — Mr President, in Scotland we have a saying that too many cooks spoil the broth. Here, I think, it is a case of too many institutions making a real stew of the future of the structural funds. If I remember correctly, one of the conclusions of the Presidency after the Fontainebleau Summit was that expenditure policy is ultimately the essential means of resolving the question of budgetary imbalances. That basically means the structural funds. But what have we here in the 1986 budget? We have another institution — the Council of Ministers — burying the declaration of the Heads of State and Government and driving down the value of, at all events, the Regional Fund. Payments are being driven down from 5.7% of the budget last year to 5.2% this year. The Commission's wish to get payments and commitments into better balance has been ignored and the gap widened instead.

Incidentally, I hear too much breast-beating in this House from Members talking about the burden of the past. The wave of commitments which has swept upon us now is a logical result of the efforts of this honourable House to expand the structural funds. There is no need for Members to feel guilty about what they were sent here to do. All of us want to see the structural funds take up a much more realistic proportion of spending than they do now, and we want to see them

work effectively to redress regional imbalances. Like my colleague, Mr O'Donnell, I am therefore astonished to discover that the Commission seems to be inconsistent about the staff needed to operate the Regional Fund, and the Committee on Budgets will not even talk about it. Last year the Commission asked for a number of new posts for specialists to operate the new Fund regulation. In the end, as Mr O'Donnell said, fewer posts actually went to DG XVI than even this Parliament allocated, and that was pretty feeble to start with. I assume that the need is still there for the specialists not allocated last year, but we have had a most opaque view from the Commission that any untrained people can just be stuck into these jobs. This is not a professional way to run a sweetie shop, let alone the European Community. I hope that next year we shall see a much more businesslike approach to the question of staff.

One of the tasks of this Parliament is to shed light into dark corners, but when it comes to shedding television lights on to our proceedings, Members here are given to complaining, and I believe that the camera was even expelled from the Chamber yesterday. That is not a professional way of conducting our proceedings. We have the means to solve the problem of troublesome television lights and intrusive cameras. It lies in line 2040 of Parliament's budget, which has 2 million ECU on the line for fitting out of premises and 2.6 million ECU in reserve. It will cost no more than 1 million ECU to get the right lighting and to install remote-control cameras in the Chamber. I hope Members of this House will see the value of making our work open to our electors and improving their own comfort by voting for this line and by insisting that we get on and do the whole job now instead of a wee bit here and wee bit there. That is not a professional way for a serious Parliament to act.

Mr De Pasquale (COM), chairman of the Committee on Regional Policy and Regional Planning. — (IT) Mr President, we must definitely support the Committee on Budgets' decision to replace the Council's truncated and nebulous draft budget by a straightforward and honest budget designed to meet the minimum requirements which will allow the Community to function properly.

We Communists support this proposal, as Mrs Barbarella has already said. It is a fair and constructive decision, and perhaps the only correct one. It is based on an elementary rule which must not be ignored, although the Council does regularly ignore it: the principle that every decision adopted, every commitment undertaken, and every measure proposed must be matched by a specific and unequivocal entry in the budget. Unequivocal, as is the amendment tabled by our Group.

The Council must understand that payments due in fulfilment of specific commitments cannot be denied,

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haggled over or relegated to Parliament's 'margin of manoeuvre'. In this connection we welcome the trilateral meetings to which the President of the Council referred, provided that it is understood that Parliament will never accept 'under the table' compromises.

In taking this firm and objective stand, Parliament is not simply defending its own powers, which have been reduced and undermined by various dishonest devices and practices; it is, above all, protecting what little credibility the Community — and the Council — now retain, however minimal that may be.

Last year we were presented with an illegal budget covering ten months, despite the well-known fact that there are twelve months in the year. Now we have been presented with yet another illegal budget, one which applies to a Community of Ten, despite the fact that there will be twelve Member States next year. At this rate, the public may be forgiven for imagining that the Council is not an adult assembly but consists of a group of children who have not yet learned to count beyond ten. Provision must be made in this budget, therefore, for expenditure due to enlargement, as well as the inclusion of sufficient funds to meet past commitments, or the consequences will be disastrous for new commitments and the smooth working of the structural funds. These new structural commitments are of vital importance, not only for Spain and Portugal but for the Community as a whole. They cannot be dispensed with. The so-called 'burden of the past', whatever that may be, cannot be used to hamstring future commitments. What the Community needs now in order to increase its cohesion are ambitious structural policies capable of stimulating growth, sustaining production and employment in the weaker regions — particularly the Mediterranean area and those with specific problems — and reducing imbalances.

In the absence of such policies, it is idle to speak of unifying the market or reforming the common agricultural policy. The strengthening of the Regional and Social Funds and the EAGGF is a vital necessity; we have worked hard in this Parliament over the last few years, after all, with a view to increasing the impact of our intervention measures on the structural side. We have enacted new regulations in connection with the Funds, created the new Integrated Mediterranean Programmes and taken many other measures. If the Council's draft budget were adopted, it would halt this development, for the appropriations allocated to the structural funds are increasingly paltry and inadequate. In 1985, without Spain, Portugal or the IMPs, payments for the three funds accounted for 13.3% of the total budget. In the 1986 budget they account for 12.2%. Commitments under the Funds in 1985 will represent 16.4% of the total; in the 1986 budget they account for 16.9%.

Given the new demands to be met and the rate of inflation, the situation is grave. The political, economic and social consequences of such a drastic reduc-

tion would be extremely serious. We must avoid them. The amendments concerning the structural funds — those of our Group as well as those of the Committee on Budgets — represent the minimum requirement if we are not to forfeit entirely the hard-won prospect, however uncertain and flawed, of redressing the balance. We are confident that Parliament will take action accordingly.

Mr Barrett (RDE). — Mr President, it has now been very clearly established that this Parliament is extremely disappointed with the Council's draft budget for 1986. The Council is suggesting drastic cutbacks on the Commission's original proposals, which I had considered to be inadequate in themselves to meet the needs of the Community for 1986.

In view of the forthcoming enlargement, the Council's approach to the ERDF is particularly disappointing, as this is where the deepest cuts are now proposed. On many occasions in this Chamber, I have put forward the view that the ERDF is far too small to achieve the main aim of the Community's regional policy, which is to eliminate the regional imbalances existing in the Community. I welcome the aim of the Commission, subsequently endorsed by Parliament, to double in five years the real value of the ERDF in relation to its 1983 value, as a small step in the right direction. Unfortunately, the Council does not appear to share this aim. On the contrary, the Council is proposing a cutback of 40% in Regional Fund expenditure, which is really savage when account is taken of the credits required to meet existing undertakings and the challenges of enlargement.

In setting very stringent controls on ERDF payments in 1986, the Council is proposing a derisory 3.6% increase in the year that Community enlargement takes place. These cuts could mean that either the Commission will not be in a position to pay for the previous commitments or it will only be able to do so if it does not enter into any new commitments requiring payment in 1986. To put it bluntly, the Council's proposals could mean that the ERDF will be brought to a complete collapse. This cannot be allowed to happen. I suggest that, at the very least, funding for the ERDF should be restored to the level originally proposed by the Commission.

I represent a constituency which is amongst the least developed regions in this Community. Like all such regions, it too is heavily dependent on agriculture. At a time when the common agricultural policy is under pressure from many quarters and incomes from agriculture are not increasing at the same level as in previous years, I suggest that the Community should be injecting more funds into the economics of these regions rather than reducing the levels of transfers, as the Council is in effect proposing.

The accession of Spain and Portugal on 1 January will greatly increase the number of underdeveloped

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regions in the Community, yet the Council's response to this appears to be a reduction in real terms of the ERDF. I suggest that Parliament should condemn in the strongest possible terms the Council's lack of commitment to the evolution of an effective regional policy. It is only through the creation of a European Regional Development Fund with real economic muscle that the Community's regional policy will move on from being little more than a token gesture towards the millions of people living in these underdeveloped regions to providing a genuine response to the immense economic problems which these regions face. Unfortunately, regional disparities in the Community are today increasing, not decreasing, despite the ideals incorporated in the regional policy. Without the injection of substantial amounts of money into the ERDF, the situation will continue to worsen in years to come.

In conclusion, the 1986 budget represents a watershed for Community regional policy. If the Council is genuinely committed to the European idea, and if it is to face its responsibilities towards enlargement, then it will have to respond to our legitimate demands for an effective regional policy. I put it to you, Mr President, that it is not just the future of the Regional Fund which is at stake but the future of the European Community.

Mr Vandemeulebroucke (ARC). — (NL) Mr President, ladies and gentlemen, I agree with what Mr De Pasquale and Mr Barrett have said: at this of all times, when the Community is being enlarged to include Spain and Portugal, the Council has made the most savage cuts in the Regional Fund appropriations. This comes at a time when the regional imbalances are bound to grow. And the Regional Fund is already in a difficult position because some of its appropriations are having to be used to finance the Integrated Mediterranean Programmes.

Parliament should also place considerable emphasis on specific Community measures, Article 510. Among other things, these specific measures can help to develop new economic activities, in regions badly affected by industrial crises, for example. In Spain this will be extremely important for the Basque country, a region with a traditional industry.

For border regions a new Article 511 should be inserted for Community activities. After all, the intensification of transfrontier cooperation between local authorities on either side of the Community's internal frontiers can help to create a genuine internal market and to establish a people's Europe. Cooperation of this kind is also needed in border regions which belong to the same cultural area but have been split between different Member States by history. Specific transfrontier measures can also be taken in the interests of the two new Member States, Spain and Portugal. Why should there not be efficient cooperation between Northern Portugal and Galicia, for example?

Finally, Mr President, a few thoughts on the Integrated Mediterranean Programmes. The resources for the preparation of these programmes, which have been deleted, should be reinstated. They would be used to subsidize studies and finance cost-benefit analyses, and that is extremely important at this stage of the programmes. We should also take due account of the need for local experts to be trained to implement these programmes. I hope that the Mediterranean Programmes will not go on being seen as a counterpart to the accession of the two new Member States, but that we shall make progress towards an integrated policy, even when the Community has twelve Member States.

Mr Romeo (L). — (IT) Mr President, I, like all the Members of the Liberal Group, shall vote for this budget even though, for a number of reasons, I shall do so only reluctantly. The main reason for my reluctance is the fact that neither I nor other Members intend our adoption of this budget to signify approval of the general policy of the Council, which certainly does not appear to be looking for common ground with Parliament. In supporting the Committee's counter-proposals, on the other hand, we are attempting to find common ground and have no intention of setting ourselves on a collision course with the Council.

Having established this point, I shall now turn to the section of the budget dealing with regional policy, and the proposed amendment by the Committee on Budgets seeking to increase payment appropriations for the Integrated Mediterranean Programmes from the 85 million ECU proposed by the Council to 130-140 million ECU. I hope that the Committee does not yield on this point, because this is a very small sum indeed in relation to the scope of the IMPs; in fact it is almost laughable to imagine that this sum is really enough to enable us to cope with the consequences of enlargement in 1986. It is true that these are payment appropriations, but does anyone really believe that in 1986, throughout the region stretching from Aquitaine to Greece, it will be feasible to restrict the financing of projects to a level of approximately one billion French francs?

I hope that, however modest the sums involved, the Commission will uphold them and will not compromise on this point at least, because the 85 million ECU proposed by the Council are an insult to the people of the Community's Mediterranean regions. More generally, I hope that attempts are made to correct the present thrust of regional policy, and to modify the approach which has typified the Commission's efforts so far.

If we look at the 10th policy report on the Regional Fund, we find that six or seven times more jobs have been created in industrialized regions than in those backward areas that need structural intervention; more new funds have been channelled into advanced than

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disadvantaged regions. In fact, if the Regional Fund continues to pursue this policy, it will end up accentuating the differences between regions to an even greater extent than if they had been left to the free play of market forces. It is absurd to act in this fashion and then complain that regional disparities are increasing, when this is happening partly as a result of regional policy.

I hope, therefore, that the Commission will do as we wish, and I also hope that efforts are made to avoid dispersing the Regional Fund's activities throughout the length and breadth of Europe, as has happened up to now.

TRANSPORT POLICY

Mr Visser (S). — (NL) Mr President, what the Council has done to the 1986 transport budget is really absurd and unacceptable. What are the facts where transport is concerned?

Firstly, there is the recent judgment of the Court of Justice, in which the Council was clearly held to be in default and was instructed to develop a transport policy. This can obviously not be done without money. But what does the Council do? It does not increase the transport budget or even leave it as it is: it cuts it savagely. Secondly, Spain and Portugal will be acceding very shortly. And they too are entitled to some infrastructure projects. But absolutely no account has been taken of this. And then there is the employment aspect. We shall be discussing that in Parliament tomorrow. As rapporteur for this Parliament, I assume we agree with the Commission and Council that the fight against unemployment should have top priority, that investment must be stimulated to this end and that Community infrastructure projects are very important in this context. But what does the Council do? Precisely the opposite. In other words, no more than lip-service is being paid to the fight against unemployment, and this at a time when the Community can do so little.

My group therefore finds the Council's attitude rather incredible. How do things now stand with the item for infrastructure? In the last budget payment appropriations were estimated at 34 million ECU and commitment appropriations at 90 million ECU. What are the Council's estimates for 1986? A mere 35 million ECU in payment appropriations, not even enough to meet existing commitments, which amount to at least 71 million, and — let it be noted — only 15 million ECU in commitment appropriations. That is one-sixth of last year's estimate and only one-eighth of what the Commission considers necessary. Something else that is strange about what the Council is doing is that it has decided the normal rate of increase also applies to the commitment appropriations. If we persist with this, at least 100 million will have to be found for commitment

appropriations. Nothing would be taken from another sector. The transport sector would only be getting what it is entitled to.

My group will, *nolens volens*, agree to the compromise proposed by the Committee on Budgets, which would increase payment appropriations by only 60 million ECU, although the resulting 75 million ECU in commitment appropriations will not be enough. We should like to see this amount increased to at least 100 million. But it looks as if this will not be achieved because the Christian Democrats do not agree. My group finds that rather disgraceful.

There are a few other points. For years we in the Community have been trying to find a satisfactory arrangement for transit transport operations, particularly where Austria and Yugoslavia are concerned. Parliament has regularly criticized the Council of Transport Ministers for its inaction in this respect. An arrangement of this kind will, of course, cost a considerable amount of money. Austria is now asking not so much for financial assistance with infrastructure projects in Austria itself but primarily for the removal of the bottlenecks in Southern Germany and Northern Italy, which are partly due to the completion of the '*rollende Landstrasse*'. So what we are talking about here are Community projects, but the Council makes absolutely no estimate of the costs, simply inserting a token entry for commitment appropriations.

To start with, my group wants 5 million ECU set aside for commitments, and we want the same amount entered as the estimate of the cost of financial support for transit projects in Yugoslavia, which will chiefly benefit through traffic to Greece. Under the Second Financial Protocol that is to be concluded, we cannot simply make do with promises of loans. To ensure the earlier completion of transit links with Greece, which is therefore primarily in the Community's interests, we must also consider some subsidization of interest rates, meaning cheaper loans. This is something Parliament has called for on a number of occasions in the past. An amount of 5 million ECU in commitment appropriations is reasonable for this purpose and also has the approval of the Committee on Budgets.

Then we must remember that 1986 is Road Safety Year. The Commission has submitted a detailed plan costing 1 million ECU, which is not excessive. But what does the Council want to give? Half a million in both payment and commitment appropriations. My group wants both amounts increased to 1 million ECU.

What conclusion must we draw, Mr President? My group is unfortunately unable to agree to the proposals from the Committee on Transport because they are on the excessive side. We are slightly more modest. My group does not want to disappoint other sectors. All we ask is a normal and reasonable share for the transport sector. That is needed in view of the judg-

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ment of the Court of Justice, the accession of Spain and Portugal and the employment situation.

ENVIRONMENT POLICY

Mr Muntingh (S). — (NL) Mr President, when I was a small boy at primary school, it was usual for children to learn poems by heart. They were generally short edifying poems with a message, and the teacher always listened in a kindly way, and that was that.

This is the sixth time I have stood in this Parliament reciting my poem, and I have the impression the teacher listens benevolently and then thinks to himself: 'Well, the lad has learnt his poem well. I will give him a good mark, and then the whole business will be forgotten.' Why do I go on talking, I ask myself, because we have been asking for the same thing for six years. My poem concerns the environment, which accounts for less than 0.1% of the budget. So it is probably understandable that the teacher ignores what I say, because it bears no relation to the problem we are discussing. And that is not Parliament's fault, because year after year Parliament has done its utmost to give this poem some substance. It does after all make a number of valid points, but nothing is done about them, especially by the Commission and by the Council.

Let me give an example. The Commission is unable — and we hear this from the Commission time after time when questions are put — to perform its task properly because it does not have the staff. Well, that is not Parliament's fault, because each year Parliament votes for new posts for Directorate-General XI. But the Commission flatly refuses to comply. The Commission itself is to blame for the shortage of staff in DG XI. And that must be said loud and clear for once: it is the Commission that is not doing its work properly in the environment field.

The same is true of the Council. Let me give you two examples that concern the Council. The first is the decision by the Council, in its infinite wisdom, that 1987 should be the Year of the Environment. This prompted the Commission to work out what a year of the environment would cost. It arrived at the figure of 10 million ECU, or rather 60 million, of which the Community must provide 10 million. The Commission entered 10 million in the budget, the Council saw what its own decision would actually cost and said: 'No, that's far too much. We'll change that to 2 million.' In other words, it is making it impossible for its own decision to be implemented.

So in this budget Parliament is saying: 'All right, if that's the way it is, the Council will have to sort it out for itself. We won't increase the amount by much. The proposal is now for 3 million, which is by no means

enough, but that is not Parliament's fault but the Council's.'

Secondly, the Council appears to have decided yesterday — at last — that an environment policy should be included in the Treaties. But it adds that decisions on the environment must be taken unanimously. In other words, it can be decided unanimously to take further decisions by a qualified majority. An absurdity, because this situation already exists. The Council can already decide unanimously to decide on certain directives by a qualified majority. In other words, the Council has at the moment blown up a mouse and is trying to sell it to the European public as if it were an elephant.

In short, Mr President, for the sixth consecutive time I am saying here, firstly, that the budget is ridiculously small, secondly, that the Commission is not doing its job because it has flatly refused to take on enough staff, and thirdly, that the Council is going back on its own decisions and failing to ensure that we are able to pursue a reasonable environment policy. And I would add — for the benefit of the public — that Parliament wants to press on, Parliament is doing its utmost, but here we stand, reciting our poem. More we cannot do.

YOUTH AND CULTURE

Mr Hahn (PPE). — (DE) Mr President, ladies and gentlemen, since the second direct elections the major questions which have always been of interest to this House — agricultural policy, regional policy and, of course, the institutional question — have been joined at the forefront of our concern by a series of further problems thrown up not least by the Council's actions and the summits. There is the 'Citizens' Europe', there is Eureka, to name but two. And Parliament has taken up a whole series of questions. I think we must now do the same over the European Community budget, if we are not to limit ourselves to mere verbal *tours de force*. I am thinking of the subject of information; then, in this International Youth Year, of youth; the preservation of minority cultures — of particular importance now as the new Member States join (we have in mind Spain most especially); finally, the promotion of the modern technologies and particularly the training of the younger generation in these technologies. We must make these points in the budget, and we are committed to doing so. We know that because of the difficult budget situation we cannot fulfil all our aspirations, but we believe that by making these points we can express our political will.

Let me turn first to the subject of information. The shock of the second direct elections, which revealed that the citizens of Europe are by no means properly informed on what goes on in the united Community front, wore off only too quickly, but it did at least create an awareness that we have to do a lot more to

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inform the public and we have to do it better. I am grateful to the Commission for making an increase here and to the Committee on Budgets for approving it. We believe that line 2720 really must be given the funds now proposed by the Committee on Budgets.

We attach great importance to the need for the Commission, under this heading which now comprises 15.7 million ECU, to make a new start on the European television programme being prepared by the Netherlands television service NOS and currently known as 'Europa TV'. Not only the Netherlands television service is involved, but also Italy's RAI and the Federal Republic's ARD. A leading part is also being played by Portugal and Ireland. This programme, which has a single scenario, is progressively adding new languages, new countries, and seeks to raise public consciousness of the need for European unity. Of course, the synchronization for each additional language is very expensive, and our support is needed if this programme is to become a reality. We hope that all the Community countries in turn will join in with this European programme. We thus ask that the appropriate budget heading should include funds for this purpose.

A further heading is a first-time proposal by the Commission, and we have supported it most warmly. It did not find equal support among the Committee on Budgets. I refer to heading 672, which earmarked 5 million ECU for television and film co-productions. We in Europe are flooded out with American, and to some degree Japanese films, and we want to promote European productions of our own in order to reconquer our own market. The amount originally envisaged here has been cut back to 1 million ECU. But we hope we shall be able to retain the final amount, because we consider this to be extremely important.

This year, in Europe and beyond, is International Youth Year, and we attach great importance to promoting and increasing youth exchanges. We regard the increased amount now envisaged, and approved by the Committee on Budgets, to be an absolute necessity. We have seen the Franco-German youth exchange evolve into true friendship between the youth of these two countries which had been enemies for centuries. We believe in future that youth from the fringe areas should also take part in these exchanges.

Mr Kuijpers (ARC). — (NL) Mr President, ladies and gentlemen, I find no reason to cheer when I see the piffling amount earmarked for culture in this budget. Like many Member States, the Community evidently regards the cultural sector as a poor relation at this time of crisis and the first to have to make do with crumbs. To be realistic, it must be admitted that this paltry sum will not allow any serious work to be done to combat unemployment in this sector and that nothing can be done, by ensuring the sound training of cultural workers, for example, to establish a promotional policy directed at the public.

The same goes for the measures proposed by Parliament in its resolution of 16 October 1981 on a Community charter for regional languages and cultures and a charter of the rights of ethnic minorities and in the resolution of 11 February 1983 on measures in favour of the languages and cultures of minorities. The Council also refuses to take account of the consequences of Spain's accession, which will substantially increase the number of minority cultures. The number of Community inhabitants belonging to a cultural minority will be over 40 million on 1 January 1986, or one in eight of the Community's inhabitants.

The situation of these communities is far from satisfactory in many cases. We need only think of the Alsacians, the Basques, the Bretons, the Corsicans, the Catalans and the Flemings in France, of the Frisians in the Netherlands and so on. Explicit recognition of cultural differences must be the premise in each case. But logically this recognition must imply willingness to set something aside in the budget for this purpose. Cultural differences must not be subsidized as some kind of retrogressive phenomenon. A region must have the right not only to exist but also to live in comfort in its own cultural way, across national frontiers that happen to cut it in two.

DEVELOPMENT POLICY

Mrs Focke (S), chairman of the Committee on Development and Cooperation. — (DE) Mr President, ladies and gentlemen, this year, as usual nearly at the end of the debate, I speak on the subject of Title 9 with particular concern, almost with bitterness. This is the only budget title which reflects the European Community's sense of responsibility towards the outside world. The Commission's preliminary draft was already a disappointment. The Council has made drastic cuts here, a reflection, presumably, of the low priority it attaches to development cooperation by the European Community. The heavily pruned draft of Title 9 could really have done with the whole margin available to the European Parliament — 217 million ECU — to correct the worst mistakes of the Council, mistakes such as deleting the 165 million ECU contingency reserve or drastically cutting transport funds or the totally inadequate provision made for cooperation with Latin America and Asia.

Of course this was not possible. Of course there are other sectors of Community policy, new policies above all, which have their own requirements and claims on the budget, and so those responsible for development policy have to be grateful that the Committee on Budgets and the rapporteur, Mr Christodoulou, have allocated the lion's share of these 217 million ECU, almost 70 million, to Title 9 and have acknowledged that there is also a previous commitment under Title 9 which the Committee on Budgets was prepared to pay off by means of an additional 20 million ECU.

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Let me make a number of main points. The first concerns food aid and emergency aid. The only positive thing the Council has done about Title 9 is to repeat the 1985 figures. Cereals prices are low at present, which means that more cereals can be bought and distributed for the sum earmarked. As regards food aid in the form of cereals, there is thus room here to build up stocks in regions threatened with famine, to buy up surpluses generated in the developing countries and transfer them to areas at risk of famine. There is also room for a small contingency reserve, though it will be far from adequate to meet the problems which, as we know, will arise again in 1986 in Ethiopia and in other areas of the Sahel. The Committee on Development and Cooperation, backed up in this by the Committee on Budgets, has thus inserted a new line 928 'emergency reserve' with a token entry, and under Chapter 100 we have entered 10 000 ECU as a symbolic indication of what we want. All this together is a warning, an urgent call to the Council to do its own part towards implementing the demands of the Milan Summit. Parliament with its small margin cannot do it. It is up to the Council to do something here.

The second point I wish to stress is transport. If there is one lesson we have learned from last year's events in Africa, it is this: it is not enough simply to grant food aid. We must provide transport to get the food to the hungry. In its budget appropriations the Commission has realistically taken account of this. The Council has slashed the funds again, by about half. The European Parliament, if we endorse the recommendations of the Committee on Budgets and the Committee on Development and Cooperation, will now put back 40 million ECU, more than half of its margin for Title 9. We do, however, expect the Commission to make better use of the funds available for transport, that it will organize and check better, and spend less on its tendering procedures. This is a subject to which we must give considerable attention in 1986.

My third main point is the reform of food aid. It is the declared objective of the Committee on Development and Cooperation gradually to replace food aid by projects enabling the recipients to produce their own food. This is the purpose of line 929. Previously no funds have been allocated to it. As a result of our amendments, it is now proposed to enter 10 million ECU as payment commitments and appropriations for commitment. We hope to succeed in carrying this through, beyond the second reading. We have all received letters from the Campaign for the right of nations to feed themselves, a parent body for non-governmental organizations. It is preaching to the converted. We have long wanted this, and have made several attempts to achieve it. And if the Council cuts it once again, I hope the letters will be sent where they should be sent, to the governments and their Finance Ministers.

The fourth point I have just mentioned myself: non-governmental organizations. Cooperation with them

remains our main priority. If we have not this time provided for additional funds, it is because we needed to convince ourselves that there is a large surplus and that it is not possible to pay off more than this surplus in 1986. But this does not lessen our willingness to do the best we can towards fruitful cooperation, and we also evidence this in Article 951, contribution to financing the purchase of cereals by non-governmental organizations to be distributed as food aid.

Cooperation with Latin America and Asian countries — my fifth point, line 930 — has fared particularly badly. The Council has made drastic cuts here. The appropriation is absolutely inadequate to meet our commitments here. We hope the countries concerned will understand that we were unable to add any more and that the fact that there are 20 million ECU in the reserve does not mean that we underrate their importance. We shall see to it that they are released from the reserve and used for the necessary cooperation measures.

Finally, I would mention the new line 953, South Africa. Here we are trying to take the Council at its word. The ministerial meeting on political cooperation of 10 September agreed on a list of positive measures regarding South Africa. These included: programmes of assistance to non-violent anti-apartheid organizations, particularly the churches; programmes to assist the education of the non-white community, including study grants; intensification of contacts with the non-white community in the political, trade union, business, cultural, scientific and sporting sectors, etc., etc. We want the Council and the Community to remain credible, and we are thus earmarking funds so that things can be got going here, for a programme of this kind needs money.

This is all I have to say. From Thursday it will be up to the plenary sitting to decide. Then it will be the Council's turn, and it must in this Community budget find public funds to fight hunger in addition to the fine words it has expressed — most recently at the Milan Summit. It cannot leave this task to the goodwill of the individual and large welfare concerns. Our credibility is at stake here, and we are trying to take the Council at its word.

IN THE CHAIR: MRS CASSANMAGNAGO
CERRETTI

Vice-President

Mrs Rabbethge (PPE). — (DE) Madam President, ladies and gentlemen, in Chinese the word 'crisis' has two meanings: it can mean danger, but also chance. Every year Parliament faces a crisis over the budget, it faces danger, but it also has the chance to strengthen

Rabbethge

its position in this dispute with the Council which is always pre-programmed. In any case my group, the Christian-Democratic Group, hopes that this time, despite our justifiable dissatisfaction on many counts, we shall have a chance of reaching agreement with the Council, tried and tested as we are in matters of crisis.

'Am I hearing things?' might be the reaction on learning that one-third, i.e. 70 million ECU, as Mrs Focke just said, has been named by the Committee on Development and Cooperation as a priority for development aid. But *pacta sunt servanda*, contracts must be kept, and promises too. For how many years now have the European nations been discussing the problem of famine in Africa — especially this year the problem of Ethiopia — and how often were we unanimous in our view of the problem of transport aid, the organization of transport, as has just been said. Good, this line has been provided for in the budget.

Public opinion, as well as Parliament, was also unanimous that there was a need for supranational stores as part of a long-term food strategy going beyond day-to-day requirements. But this is not apparent from the budget. Politicians of every persuasion affirm in their fine speeches nearly every day the enormous importance they attach in development aid to the non-governmental organizations. The relevant budget line is blank but for a brief mention as 'contribution to financing the purchase of food products by NGOs'.

How can we remain credible, if all government representatives and Parliament too say in every report on disaster aid that meaningful food aid is only possible with the help of these non-governmental organizations? Where is the logic in this? Where, gentlemen of the Commission, is your inventiveness, where is your imagination? It would be nice, gentlemen, if you would listen! Why do you not release funds which are after all available and for which a great number of applications have been made? We *know* that you still have a great deal of money! You are required, gentlemen of the Commission, to act.

A positive note: money is earmarked for aid to refugees. The sum total of this budget is a varying balance of pluses and minuses in development aid according to criteria of emotional and/or political perception. This is perfectly understandable.

But one thing must be kept in view: there must be no general debiting of our development aid account to pay for the enlargement of our European family. The famine-stricken countries are still our problem children. *Pacta sunt servanda*, as I said before. During the ACP assembly in Inverness I reminded our ACP partners of this in connection with human rights, which we jointly enshrined for the first time in Lomé III.

I should like at this juncture to remind us all, as partners in Lomé and as Members of this House, of an essential truth which was pronounced more than 100

years ago but which is still valid today, particularly in respect of our common development policy. Abraham Lincoln put it this way: 'You won't make the weak stronger by making the strong weaker. You won't help those obliged to earn their living by ruining those who pay their wages. You won't create brotherly love by stirring up class hatred, and you won't help the poor by destroying the rich. You will certainly get into difficulties if you spend more than you earn. You won't create interest in public affairs and enthusiasm if you deprive the individual of his ability to act and his freedom. You can never help people in the long term by doing for them what they should and could do for themselves.' I believe this holds good for all of us in the European Community who are concerned with development policy.

Mr Christopher Jackson (ED). — Madam President, I am beginning to feel that when considering our development budget we spend too much time arguing about amounts and too little time considering the effectiveness with which our money is spent. Now this Parliament has been a major force in increasing the amount of development aid provided to Africa, Latin America and Asia, and this my group thoroughly supports. But we all have to reckon with the fact that despite the millions of dollars poured into Africa, we are losing the most fundamental battle of all — the battle against hunger.

That is why this year, on behalf of my group, I am concentrating on one issue alone — the issue of improving our aid effectiveness by providing adequate staffing. Compared to national aid administrations, DG VIII, the Commission's aid administration, is seriously understaffed to the point of damaging its effectiveness. Its people work hard, but there are quite simply not enough of them.

Let us take one example. Aid evaluation is the section which examines completed projects to see whether they really have helped the country concerned. This work is utterly basic if we are to do things better and avoid the old mistakes of the past. Yet this vital section, assessing more than 2 000 million dollars worth of aid expenditure, is run by just one aid administrator and one secretary. Parliament votes substantial amounts for aid evaluation, but because of the shortage of staff they are spent very expensively on employing outside consultants. The result is that it is the consultants who go out and retain the vital first-hand knowledge of what goes on. Would it not be more sensible, like the World Bank, to have an in-house evaluation system? It would save money and it would be more effective, but there is not the staff. I challenge the Council to agree to our amendment, to provide the additional staff which we request and at the same time to save money. How can it refuse?

Next year we want our emergency food aid handled better and our long-term food strategies handled more

Christopher Jackson

effectively. All that needs more people. Just twenty or thirty more people would make a great difference.

Madam President, I think the people of Europe should know what goes on between the Commission and Council each year. First, the Commission asks for more staff in various sections. Then the Council refuses most of those requests for staff, saying that the Commission is overstaffed in certain other areas and should move its own staff. But the fact is that the Council itself has passed staff regulations, binding on the Commission, which make staff movement prohibitively difficult. So the Commission, in terms of staff, is about as mobile as a pile of bricks and virtually nothing happens.

I think that the people of Europe, who have amply demonstrated their concern about famine, should demand that this cynical game must stop. For while Commission and Council vie with each other, while DG VIII is seriously understaffed, more people are dying. As Bob Geldof reminded us last part-session, nothing is so simple as people dying. I think that is the challenge of life and death that goes out from us to the ten Finance Ministers sitting around their table. Stick by your game about staff and more people die! That is why we demand that you act on our staff amendments and that is why we want no more excuses.

Mr Pannella (NI). — (FR) Madam President, colleagues, I have the impression that once again this budget is bringing us a set of roles which we are refusing to play.

Just now, chance intervened in a very fortunate way while the excellent chairman of the Committee on Development and Cooperation was speaking. Time stopped, because the speech was certainly excellent, excellent to the point where it could have been 1979, 1989, 1999. Time stood still and, somehow, forgot the fortunate. It was the wish of a poet. Meanwhile time devours the unfortunate, it devours them through hunger, through this policy of ours, one which is unworthy of the name.

Should we one day achieve a European Union, this cooperation policy of the Council's and *a fortiori* of the Commission's will be one of ignominy and of non-Europe. We have reached 3% more or 0.3% less; it is a policy which lacks breadth, which lacks height, which lacks vigour, which lacks discipline. It lacks everything. We should have before us the heroic idea of renewing life, of conquering the desert, perhaps like the Arab States — and not just Israel — which had the strength to think of reconquering their former territories. Instead we have once again to try to sell off some of the surplus from a common agricultural policy which has nothing common but its unworthiness, that too, in view of the problems of our countries.

It all fits together. An agricultural policy which kills off farmers, or turns them into privileged beings, inde-

pendent of the multinationals of Europe. We think that the countries of the Third World should also pursue a policy of supporting the agricultural classes, rather than the military. But if they do so, they can never be our competitors, nor even be competitive, because our agricultural policy would never allow them to be serious competitors.

We are supporting a policy of extermination, of disorder, which does not even have the ambition to change things.

I have said, and I repeat: the Council is like a doddering old man, incapable of conceiving any kind of policy, not for emergencies such as Chad was for France, for example, nor for an urgent North/South policy led by Europe, primarily in Africa.

All the time, there are 20 million, 10 million, people in the forefront of our minds. I do not think we can go on with that game much longer.

There was a time in 1981 when Parliament's voice was loud enough and realistic enough, realistic enough to point out the minutiae which had become grotesque. I think therefore that we have to realize that the Council is digging its own grave, and that it is only in that context that all this is acceptable. A blind Council, which is the sum of national political inadequacies, and not even the product of national interests. That is a policy of, I cannot call it treachery — historically a traitor sometimes has greatness when his treason is committed for the sake of great ideals or other values. Here we see the sadness of logic. Gentlemen of the Council, we hope that you will disappear soon — as everyone of you is certainly acting in good faith — as testimony to a vision which is the opposite of Parliament's.

In Luxembourg a realistic attempt to create a technological Europe, or a Europe of some other kind, is burning itself out.

Just like thirty years ago, we have to choose between a political Europe and a Europe of nothing, or a Europe of death, a Europe of decline. I hope that the budget which you have had the courage to lay before us will be one of the factors which make you reflect what, finally, is to be done with this useless Europe, which is its own worst enemy, in order to create the European Union and the new Treaty which our Parliament wants.

WOMEN'S RIGHTS

Mrs Crawley (S). — Madam President, in this Parliament women are not the majority, but beyond these doors, in the Europe of the citizens that we hear so much about so often, they form staggering undeniable majorities. They form the majority of the lowest paid,

Crawley

the majority of the poorest are women, the majority of the less-skilled, less valued are women. The majority of those single parents with dependent children are women. In Europe today the majority of the dispossessed are women.

If all the amendments to promote equality of opportunity for women were passed with thumping majorities, this budget would still not come close to representing the real concerns, fears and oppression of 52% of Europe's population, puny, flaccid, stumbling little instrument of change that the EEC budget is in the field of social reform. But it would undoubtedly show a real and constructive political will on the part of Members at least to acknowledge the supreme difficulties that women face in Europe today in the achievement of justice and equality.

Let us look at one or two of those amendments that I refer to. There is in jobless Europe great and increasing governmental pressure on women to stay at home rather than take up scarce jobs, of which, they are told, they are depriving young people and married men. Under such pressure, there is strong evidence to suggest that many women are not fully aware of their rights under Community or national legislation, nor of the means available to them for achieving those rights. We believe that a concerted information campaign on a large scale directed at women's organizations is essential to make sure that they know what these rights are and how to achieve them. The Commission has so far provided a limited information service, which has made Herculean efforts with minimal resources and staffing. We believe that a special fund should be earmarked for information for women.

Jobs must also be created and provision must be made to help people to innovate in our changing world. I believe that we must encourage and develop co-operatives at all levels. However, particular encouragement and support must be given to women, who have not traditionally been involved in co-operatives and who will need special assistance to prepare and train for them, firstly, in their own women's co-operatives but later, when confidence and experience has been gained, in general co-operative activities. To this end I and several colleagues have called for a new budgetary line, the principle of which the Committee on Budgets has accepted. This is an historic step! We call on you, however, to support our original amendment providing a small sum to allow for action to be initiated along the lines suggested in the amendment.

We must no longer allow policies on women's rights towards equality to be used as a piece of window-dressing in the EEC. We must insist on the full implementation of the equality directives. The Community has used those directives to win women's support at the ballot box. We must see that women are not duped.

I ask you, colleagues, to think very carefully and very positively on the amendments to the budget by the

Committee on Women's Rights. Remember the women in your constituencies to whom you are accountable and answerable — women who for ten years have been asking the same questions asked when the United Nations Decade for Women began. They ask, for instance, why only 3% of engineers and politicians in our Community are women. Why do women still take home 60 to 70% of men's take-home pay? Why are there 50% more men at university than women? Why is women's work in and out of the home still valued so little? Why are women jettisoned first from paid work at times of economic slump? Why are the health services still woefully unaccountable to their main consumers — women? Why in parliaments all over this Community are men in the main making laws concerning women's reproductive systems? In each of the Member States of the Community, monetarist philosophies have meant the brakes being applied to already meagre public spending, and public spending cuts affect women in particular.

This Parliament has spoken long and late on its good record on women's rights. Three directives in ten years — is that a good record? We could hardly be accused of forcing the pace or of going at breakneck speed. We are not exactly engaged in operations which will bring about women's justice and equality in our lifetime or even in the lifetimes of our great-great-granddaughters.

So finally and urgently, Madam President, let us stop congratulating ourselves on how well we talk about equal opportunities for women in this Parliament. Words are easy and cheap. Let us, by supporting the amendments tabled by the Committee on Women's Rights, turn our words into the very limited political and financial action that we can take and that is open to us here in this Chamber.

(Applause)

MOTIONS FOR RESOLUTIONS

Mr von der Vring (S). — *(DE)* Madam President, I should like to address myself to three points from this debate. Firstly: the Commissioner's criticism of the proposals by the Committee on Budgets concerning commitment appropriations. This criticism has caused amazement here. The Council cut the Commission's proposals by 2.4 billion ECU. Parliament proposes to increase them again by 2.3 billion ECU, i.e. by less than the Commission first proposed. Complementary to its payment margin of 217 million ECU, Parliament proposes 396 million ECU as appropriations for commitment. It is thus exceeding this margin by 186 million ECU, i.e. 0.5% of the commitment appropriations proposed by the Council. In these circumstances no one in this House can understand the Commissioner's criticism. It is unfounded. These commitment appropriations also imply payments out of the budgets for

von der Vring

1986 to 1990. I would point out to the Commissioner that he can only claim they are too high if he also knows the budget totals for the 1990 budgets. We intend to fight on in the next few years for a realistic level of budget funds, and we do not think that a meaningful Community policy for Europe can be built up on the basis of current levels.

Secondly: the Council has warned us that we must meet our share of earlier commitments. But how are we to do this? We have a margin of less than 1% of the Community budget, in other words, the Council has over 99% of it. How are we supposed to be able to meet more than 1% of the Community's commitments and previous commitments? Give us more powers, and we will gladly shoulder more responsibility — you have our proposals on the matter. But that is something for the intergovernmental conference and not for this budget procedure.

Thirdly: we too consider this budget procedure absurd, but see no alternative given the current formula for budgetary discipline. This formula regulates the status quo. But it lacks an essential power of decision: decision on the funds to be made available to develop the Community beyond the status quo. Any such decision, we are doubtless all agreed on this, ought reasonably to take account of likely developments in the medium term. As soon as the Council is prepared to discuss this topic, Parliament will take a responsible part in this debate. This, it seems to me, has been the fatal flaw in budget debates to date: the Council's inability to engage in medium-term financial planning for the development of the Community. That is the shortcoming the Council must overcome. We can and shall then pursue a sensible budgetary policy together.

(Applause)

Mr Aigner (PPE), chairman of the Committee on Budgetary Control. — (DE) Madam President, ladies and gentlemen, we have had a long and interesting debate which we have followed or had to follow, partly here in the plenary sitting and partly in the Bureau. I should like to raise just a few points prompted by my experience in the work of the Committee on Budgetary Control.

I would say to both institutions: we still have no financial regulation, no ground rules for the dividing up of responsibilities. The many difficulties experienced in all our budget deliberations will not be resolved in this discussion either, if we muddle on as we have done so far, if we do not have a financial regulation and clear ground rules to decide what is a matter for regional, national or Community responsibility. Many points have been named. That we could operate development policy better at Community level than at national level is self-evident. This also applies to research for large-scale technology projects — Eureka, the Airbus, etc.

My plea to both institutions is thus to lay down political ground rules for the budget deliberations at last. We cannot go on as we have been doing. A lot of irrelevancies have been generated. All right, irrelevancies can be amusing, and these days we are glad to be amused, but this is no good in the long term.

Let me say something else: we could save billions in the national budgets and in our Community budget if we could apply our ground rules consistently. To think that the tax barriers we still have within the Community's internal frontiers cost about 10 billion in carriage and dispatch alone! We deceive our taxpayers when we tell them we have no money to develop Europe. By saving we could get the margin needed for the further development of Europe without it costing the taxpayer another penny. This is the main problem, which has to be voiced during a two-day Community discussion of the budget.

In the European Parliament we too could save a lot of money if we could finally solve the conflict of interests occurring when a Member State which spends a lot of national resources to implement and monitor Community policies efficiently then receives less money back for its pains because it enacts the will of the European Community more faithfully. The State which spends nothing or very little at national level, on the other hand, gets generous advances. When the time for settlement comes three or four years later, great haggling goes on, because it simply is not possible, though it should be possible, to demand repayment of the billions involved.

This conflict of interests must now be settled, and we in the Committee on Budgetary Control have been striving for this for years. The main obstacle is and remains the Council. It must finally lay its cards on the table, for this business with the Council is now more of a poker game than a true discussion between partners. We need greater understanding on the part of the national bureaucracies. They should not defend their sovereignty in areas where it no longer exists and is merely an illusion. Supervision is now a matter for the Community.

Another point of concern, which I address primarily to the Commission, but also to the Council, is the question of marketing policy. In my view the Commission has not yet learned the lesson that we cannot destroy or give away our surpluses, nor can we hold and administer them for ever and a day. Even if it cuts back agricultural production, which, as we know, it must, the European Community needs an effective apparatus if it is to influence the sales structure itself. Instead the Commission, more specifically the Directorate-General for Agriculture, produces increasingly complicated regulations, rules, decisions, documents, which may make the bureaucrats feel good but which make it harder, certainly not easier, to get rid of the surpluses. Securities, time limits, targets, denaturing securities, due date notifications, documents, threats

Aigner

of sanctions — which are not enforced anyway — all these are obstacles to a true marketing structure, which is necessary if we think how many billions' worth of products are lying there in our stores today. Why the Council is being obstructive here too is beyond the grasp of any normal thinking person.

Should the national parliaments and governments not believe then that the battle against fraud and wasteful spending is more important than illusory sovereign rights?

If more than 50% of our budget is spent on our only fully integrated policy — agriculture policy — the Community bodies must also be granted the powers they need in order to discharge their responsibilities.

I do not wish to repeat what has been said about your Council draft today and yesterday, Mr President, but I would like to stress one thing again in conclusion: in the year which has seen Spanish and Portuguese accession, an accumulation of previous commitments and the raising of the VAT ceiling to 1.4%, the ten old Member States are paying 350 million ECU less into this budget than they paid last year, whilst the new members, as net contributors, are paying in 700 million and having to help meet commitments entered into by the Ten. If this is the Council's idea of 'responsibility', I really don't know the meaning of the word.

What is the true cause of this wrong course of action by the Council? The President and members of the Council are, after all, fine fellows. So it is not the fault of any one individual, but rather of the 'whole bang shoot'. Overall the institution as such is unable to discharge its true responsibilities. Why is this? Because its own political structure has degenerated into merely the sum of individual national self-interests — the ifs and buts have become the real collective formula in the Council. Hence my conclusion from our several days of debate: I am not saying, away with the Council! But the Council must be steered back towards its responsibilities, and if the national parliaments do not do this, the Members of the European Parliament must somehow do it for them. Not many resources are open to us, but the ground rules suggested by Parliament may be a useful aid to the Council.

Mr Langes (PPE). — *(DE)* Madam President, ladies and gentlemen, the 1986 budget debate takes place among the groups of the European Parliament, but in the first instance, of course, with the Council. I am thus grateful to the Council President for a number of very clear points he made this morning. I should like to be equally clear in my answers to them. My dear Jean-Claude, on a purely personal footing I would perhaps not be so hard, but here you are wearing the hat of the Council President, representing an institution. This institution — and my honourable friend Mr Aigner is right here — does not of course exactly present itself as a closed entity working for an integrated

Europe but as a Council which upholds national interests, and we are laboriously striving to reach a compromise.

If I look at the Council's draft, it is not even a compromise. So I do not understand the Council President when he says this morning that the budget draft now being put forward by Parliament is too high, that it is politically and financially inconsistent. I would say that the Council has absolutely no right to reproach us in any way with setting too high a budget. We have not done so. Above all it has no right to make this accusation, because it has not under the terms of Article 199 submitted a legitimate budget. Article 199 requires that all expenditure and revenues be included in the budget.

But what has the Council done? It has taken the income from twelve Member States — Spain and Portugal are included — and it has calculated expenditure for only ten Member States. A touch of horse-trading, if you ask me. Whereupon Parliament said, we want this budget drawn up for twelve Member States. We bear political responsibility, also for the Council which has fallen down on the job. And so, gentlemen of the Council, our amendments are naturally to be viewed from this political standpoint. There are two main points to be borne in mind.

Firstly: we have seen to it that Spain and Portugal can accede on 1 January 1986 and that funds are also available to finance the measures promised to the Spanish and Portuguese by the Foreign Ministers. Just imagine what would have happened if this Council draft had been approved. Immediately on joining, Spain and Portugal would have been told by us, we don't really want you at all. I don't know what the Foreign Ministers had in mind when they put this first draft to us. They can only have been counting on the political good sense of Parliament to make the amendments which we have indeed made.

(Applause)

A word now on the financial aspects, to prevent any further myths from developing. Mr President of the Council, you said that a budget increase of 34% was too much and that the Community's national budgets had gone up by only 5%. I am not going to haggle with you over figures. But I do not see how you arrived at them. If you take the current 1985 budget and add the 550 million ECU which you were unable to find for this budget, this is an increase of 16%. The budget total rises by 16%. Even the German Finance Minister Stoltenberg, not considered exactly a big spender, has said that the accession of Spain and Portugal would mean an increase of some 15% in the European Community budget.

I am quite happy to accept Mr Stoltenberg's 15%. What we, in fact, have is a rise of 16%, in other words just 1% more. I would thus say, Finance Minister

Langes

Juncker, that we are actually below the rate of inflation. We really must make that clear to circles beyond the Community, and scotch once and for all this idea that the European Community is an organization which spends more and more and does not save. We have increased this budget for the Ten by 1%. And this 1%, Mr Juncker, is in fact a repayment to the Member States who advanced us the money in 1984. That is the truth of the matter.

(Applause)

Now to the Council's second reproach, which I personally found very hard, that we had not set any real priorities and not understood what the important issues for the European Community were. Look here, if the Council of Ministers cuts out 251 million ECU in one priority area, the fight against world hunger, because it assumes that the European Parliament will consider it has a moral duty to do more for the poor people of the world, and if Parliament then sets aside 93 million of its 217 million margin for that purpose, you cannot tell me that we failed to recognize the priorities! 42% of our margin has been earmarked for development policy, world hunger.

And what about the other measures? Why are we fighting over the problem of the 'cost of the past'? Why has every second speaker said that the Regional Fund and Social fund must be kept operational? Why are we doing this? Because we know that, through the Regional and Social funds, structural changes and prerequisites can be achieved to help certain areas of the Community and create jobs. This is the fight against unemployment. We thus hold doggedly to the view that we do not have to solve the problem of existing commitments to the tune of about 1.1 to 1.5 billion ECU now. We know we cannot settle everything at once. Our Committee on Budgets has conceded as much. We have managed 50%, and we have reached a position where we can, if necessary, give specific help.

We have done this because in our view the accession of Spain and Portugal must not lead to a situation — apparently not realized by the Council, though, I have heard, actually desired by certain Council Members — whereby not enough funds are forthcoming so that Ireland and Italy cannot get any money in 1986 for their structurally disadvantaged areas. I do not think that Ireland's Prime Minister FitzGerald would have signed this treaty with Spain and Portugal if the Finance Ministers had said beforehand in all honesty 'if you sign, the special measures for supporting and restructuring Ireland will be cut.' I think this is a bad business which threatens the solidarity of our countries. It is intolerable that Spanish and Portuguese accession should place such a strain on the inter-relationships of the other countries that we quarrel because we cannot finance these two Funds adequately.

And so, Minister, I make you an offer. We certainly cannot settle this question of the 'cost of the past' all

in one go. But, in my view, solidarity with the weaker regions, the weaker countries of the present-day Ten, requires that we should settle a large part of it in the 1986 budget. I therefore call on you as President of the Council to put forward a consultative plan on where we should go from here.

We in Parliament just want you to know this: we believe that we have drawn up a solid budget which lies within the VAT margin. It uses 1.19%. It is a budget which makes a tolerable increase and one which we can also approve in second reading. We are prepared to discuss with you, but we are not prepared to have the structure, the principal objectives of this budget changed by the Council. Please make this quite clear to your colleagues. There is no chance, no margin here for compromise, because our legal and political commitments require of us a reasonable budget which will keep the Community viable.

(Applause)

Mr Maher (L). — I cannot help feeling, after listening for most of the day, that we are involved in some kind of charade here, because the real problem we are faced with is not money. It is a lack of conviction on the part of member governments about the future of this Community. It seems to me that they are willing to have a Community, a weak Community, a retarded Community, a reactionary Community but not a progressive Community. That is the real problem and that is the problem we are going to have to face.

As an old Community we have, I think, rather cynically negotiated an agreement with two new countries, two new countries with great problems, problems which they felt would be at least eased by their being with us as part of this new expanded Community. But it is a bit like a man who buys a large motor car and then is not prepared to pay for the extra petrol or the extra maintenance that goes with it. We have bought this large motor car, but we are not prepared to pay for it. The resources are not being made available. And frankly if I were a Portuguese or a Spaniard, I would be very worried. If I were a Portuguese, in particular, I would certainly be looking at this agreement again and wondering if I had made a horrible mistake. I cannot be convinced that the Portuguese people are going to be better off as a result of joining us: they are going to have to open their borders to the importation of all sorts of goods from more developed regions of this Community, and particularly in the larger countries, but what do they get in return?

Unless the other underdeveloped regions of the Community are going to make do with a great deal less, then I think the Portuguese in particular are going to be worse off as a result. And I ask the Commission just how long it can carry on with this charade. The Commission presided over by Mr Gaston Thorn kept on backing down in the face of bad decisions by the

Maher

Council or a lack of decision-making by the Council. Now Mr Christophersen, you and your President cannot afford to do that. You have got to throw down the gauntlet, otherwise you will be abetting that charade. I cannot see how you can even remain in office, knowing full well that you are participating in a great hoax, because it is a hoax to bring in the Spanish and the Portuguese and hope that we are all going to be better off as a result. Of course we will not be better off — we know that. So you are dishonest if you continue playing this game.

What of the Council — what of the member governments? The Ministers for Environment meet, the Ministers for Agriculture meet, the Ministers for Energy meet and they make certain decisions. And then the Ministers for Finance meet and they say there is no money available to put those decisions into effect. Do the Ministers of any one government know what the other Ministers are doing? I believe they do know, and that is why I say they are being cynical. The whole aim is to keep the Community weak. But why? It is very simple, in my view. It is because governments know that the more power they concede to the centre the less power they have themselves, and they are not prepared to concede power. That is what this debate is about. I think it is better that we face up to that. If we are going to make Europe strong, then inevitably governments are going to play a lesser and lesser role. That is the essence of it, and the sooner we face up to that problem the better.

Mr Christophersen, Vice-President of the Commission. — (DA) Madam President, I should like to take this opportunity, at the close of a very long debate, to clarify one or two points on behalf of the Commission. In that connection, let me comment on a few things which have been said during the debate. Certain questions have been put to the Commission which I feel I must comment on.

Clearly the *sine qua non* for the presentation and finalization of a credible budget is that two conditions should be met: first, the budget must have political direction, that is, it must reflect the Community's political intentions and ambitions, including the consequences of political decisions already taken. Second, the budget must, of course, be consistent in the sense that it must hang together, it must be possible to implement it and, to the extent that commitments are entered into, it must be possible to honour them. These two main aspects, political direction and the necessary consistency, form the keystone of the Commission's draft budget.

On the question of political direction, we have placed great emphasis in the Commission on ensuring that enlargement can take place in conformity with the spirit and understanding of the conclusions to the enlargement negotiations. We have entered the amounts in the budget which the Commission is con-

vinced are necessary for both commitments and payments, and it is absolutely clear from our discussions with the two new Member States that they expect the Community to honour these commitments.

We have moreover attached importance in our draft budget to ensuring that there is scope for the development of new policies, not least on technology and research, that there is equilibrium in the economic and social development of the Community, amongst other things as an element in the development of the common market, and that the structural funds can function. In that connection we have stressed the need to straighten out the structural funds which, it is now clear for all to see, have not had the right balance in recent years between commitments and payments. Finally, to round off my remarks on political direction, we wanted to revitalize the sluggish development of the agricultural policy, which everyone recognizes was necessary, having regard to the mounting production of surpluses.

Here I should like to answer a question put by Mr Elles. It is still the Commission's intention to stick to the guidelines for the economic effects of the agricultural policy laid down in our draft budget. We are not blind to the fact that we may be faced with difficulties originating in a variety of factors during 1986. I have already spoken about this. There may be difficulties because the world harvest is very large, because world markets have deteriorated. But if we are confronted with such difficulties, the Commission will react and present any proposals it considers necessary to adjust to trends, so that the guidelines laid down for expenditure under the common agricultural policy can be adhered to. The Council must, of course, live up to its responsibility — it is up to the Council and hence to the Member States, but you may be in no doubt as to the Commission's understanding of this intention.

Now I come to the need for consistency. A number of speakers in the debate have spoken at length in criticizing the Council's first reading and in setting Parliament's reading against it. I could well join in with the criticism of the Council's first reading — I shall not do so on this occasion, as I feel I have made myself plain enough for everyone to know what I think. But I am bound to say that there is also a certain lack of consistency in Parliament's reading of the draft budget, and here I am giving an answer to Mr von der Vring in particular. For, to be frank, there is no logic in cutting back on the Commission's proposals on payment appropriations and at the same time increasing commitment appropriations, which the Council had already set too high. I have to draw your attention to this lack of consistency because, in the end, it is the Commission which has to implement the budget, and it is therefore the Commission which will have difficulties to contend with if the budget is not consistent.

Whatever the final outcome may be, I must ask on behalf of the Commission that the end result is formu-

Christophersen

lated in such a way that it can be put into effect, for we have no joy with commitments which in purely technical terms cannot be followed up, no joy in making promises we cannot keep. The demand for consistency is thus an urgent one. If you want further increases in commitments, logically you must also propose further increases in payment appropriations. If you do not increase the payment appropriations but, on the contrary, reduce the Commission's proposals — and that is what both institutions are doing — you must also take the consequences with regard to commitments.

That is how I want to put it to you, since this is the last opportunity to say it before you take your decisions here on your first reading. Certainly we shall be returning to it, but for the Commission the criterion of consistency is absolutely essential, since we are the executive authority and I do not wish to be blamed, together with my colleagues, four to six months hence for failing to implement a budget if the reason for that failure is that it is an inconsistent budget. I hope you will bear that in mind in the ensuing budgetary deliberations. We are far from the final conclusion to the matter — fortunately there will be an opportunity to return to these problems. But I just wanted to make clear the Commission's considerations of principle.

This has relevance to the question put by Mr Cornelissen earlier in the day: shall we get up to the 1.4% ceiling in 1987 or 1988? This is a key question, and the answer depends to a large extent on what the budgetary authority decides in relation to 1986. If, in fact, you opt to increase commitments for 1986 beyond what the Commission has proposed and at the same time reduce payment appropriations, we shall manage to get up to the 1.4% level very quickly. The consequence of such a decision will be that we have to defer payments from 1986 to 1987, that we have to reduce payments from the structural funds to the United Kingdom, thus increasing the effect of the British compensation mechanism, and that, in the agricultural policy field, we are perhaps unable to release ourselves from some of the commitments which a more accommodating budget would have released us from in 1986. Thus whatever is decided in relation to the 1986 budget will be reflected first and foremost in the Community's financial situation throughout 1986 and at the start of 1987, with all the political complications which that may involve, with all the risks it may involve, including the risk that it may prove impossible to implement enlargement in a satisfactory manner.

I hope that these few comments have conveyed the Commission's assessment of the content of the debate at the present stage in our deliberations. I can only repeat the call which I made earlier on the two arms of the budgetary authority, each on its own account and thereafter jointly, to ensure that the budget has both political direction and economic consistency, so that it not only reflects real political and dynamic ambition

but can also be implemented on a responsible financial basis.

Mr Christodoulou (PPE), *general rapporteur*. — (GR) Madam President, I shall not repeat what we have already said during this debate. Parliament's position has been made quite clear both by myself and by my colleagues. I listened with great interest to the analysis the Commissioner gave of his approach. I wish to put only one question, which he will, of course, not be able to answer now, but to which at some point we shall require an answer. What I want to ask the Commissioner is this: in the event that Parliament's proposals for the improvement and restructuring of the Community budget are not accepted, or if no proposals at all are made, what would the effect on the functioning of the Community be, and what would the consequences be for the operation of the structural funds, and for relations between the Community and the two new Member States?

If at some point in the future — and I repeat, this is not the right moment — I have an answer to my question, then we would be able to understand on what logical basis Parliament made the suggestions it made, and drew up the plan which it drew up. At this moment, the logic is faultless. We were faced with a problem which, if we had not taken the steps which we did take and if we had not made the proposals which we did make, would have disastrous consequences for the functioning of the Community — I feel sure that the Commissioner would agree with this — and so therefore we attempted to find a just solution. We are confident that our proposals are right, and I have worked on that basis.

(Applause)

Mr Louwes (L), *rapporteur*. — (NL) Madam President, I have noted a number of questions during the debate on Parliament's budget and just one comment. I should like to respond briefly.

Speaking on behalf of the Committee on Energy, Research and Technology, Mr Mallet expressed the hope that the amendments tabled on behalf of his Committee, which he explained to the Committee on Budgets, only to see them rejected, would be adopted by the Assembly. I believe the most important of these is Amendment No 323, which seeks to add 100 000 ECU to Article 260 for the commissioning of expert opinions or studies and inquiries of a limited nature. In the Committee on Budgets I recommended that this be rejected, and the Committee complied on the grounds that in 1984 only just under 70 000 ECU entered against this article was spent, that the appropriations for 1985 included 150 000 ECU and that the appropriations for 1986 already include 160,000. I therefore felt obliged to advise against this addition of 100 000.

Louwes

Mr Ryan asked about the purpose of the additional amount for groups of visitors, and I should just like to explain this. Compared with 1985, the appropriations for groups of visitors, as now proposed to Parliament, have been increased by 1.9 million ECU and thus almost doubled. 0.3 plus 1 million ECU is intended for the new Member States, and 600,000 ECU has been included in the budget specifically for groups of visitors from peripheral areas. Which areas are to be regarded as peripheral must, I feel, be decided from Brussels or Strasbourg, and I hope that visitors from such areas — perhaps some Irish visitors are listening, I do not know — will find sufficient comfort in this.

Mr Ciccimessere and Mr Roelants du Vivier thought it rather humiliating that Parliament should already be setting aside funds for elections that will not be taking place for another four years. Firstly, that is not absolutely true, because the additional 3.5 million is intended for Spain and Portugal, where elections are scheduled for next year, and I believe this money can be well spent on arousing the electors' enthusiasm for Europe. A debate like the one we have had over the last two days may dampen enthusiasm here, but I hope that we can arouse some enthusiasm in the Iberian peninsula with this money. The other election funds, the 4.3 million already in the budget, are clearly intended not only as a reserve for 1989 but also to

enable a start to be made on these activities now. The explanatory statement — and I hope Mr Ciccimessere and Mr Roelants du Vivier will read it — makes it clear that the intention is to make an early start so that expenditure can be spread over a longer period and so enable a better check to be kept, although I have not heard any complaints about the pattern of spending in 1984.

It was also complained that new groups entering this Parliament will not be able to use any of this money. As you all know, the present arrangement — and I hope it will be retained — provides for new groupings entering Parliament in 1989 to benefit from these election funds afterwards.

Madam President, I did not come under fire otherwise. I do not expect Parliament's budget for 1986 to meet with any major resistance in this Parliament. I would even venture to assume that the opposite will be the case.

President. — The debate is closed.

The vote will be taken on Thursday at 10 a.m.

(The sitting was closed at 7.05 p.m.)¹

¹ *Agenda — Agenda for next sitting: see Minutes.*

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IN THE CHAIR : MR ALBER

Vice-President

(The sitting opened at 10 a.m.)¹

1. Request for the suspension of proceedings against a Member

President. — The next item is the report by Mr Donnez, on behalf of the Committee on Legal Affairs and Citizens' Rights, on the request by Mr Staes for the suspension of proceedings against Mr Roelants du Vivier (Doc. A 2-151/85).

Mrs Vayssade (S), Chairman of the Committee on Legal Affairs and Citizens' Rights. — (FR) Mr President, the Committee on Legal Affairs met yesterday, at the request of the President of Parliament, to examine the request made by Mr Staes concerning Mr Roelants du Vivier. May I remind you of the facts: last April Mr Roelants du Vivier and other Members of the Belgian Parliament were arrested in the act of

committing an offence, having climbed over the perimeter fence of a military base. Parliament, in the person of its President, intervened at the time in order to obtain his release. Today, we have to deal with a further development in this matter, since proceedings have been brought and a hearing is due to be held before a Belgian court on 25 November. Under Article 5 (3) of the Rules of Procedure, Mr Staes has requested the suspension of these proceedings.

Yesterday, having examined both the Protocol on parliamentary immunities and the Rules of Procedure, your committee decided that they were compatible and that the position of Mr Roelants du Vivier could be treated on the same basis as the position of a member of the Belgian Parliament, as stated in the Protocol, so that, since there had been no request from the Belgian authorities for a waiver of immunity, Parliament could request that the proceedings be suspended until such time as a waiver of immunity was requested in due and proper form.

We therefore have a proposal for a decision which calls for suspension of the proceedings brought against Mr Roelants du Vivier by the Dinant public prosecutor, states that Parliament reserves the right to resume consideration of this case on the basis of a request from the appropriate Belgian authorities for Mr Roelants du Vivier's parliamentary immunity to be waived, and instructs the President to forward our decision immediately to the competent authority in the King-

¹ For items relating to approval of the Minutes and verification of credentials, see the Minutes of Proceedings of this sitting.

Vayssade

dom of Belgium. The Committee on Legal Affairs agreed unanimously on this. I therefore invite Parliament to follow the course commended by its Committee.

Mr Donnez (L), rapporteur. — (FR) Let me first of all offer my apologies, Mr President, ladies and gentlemen, for being a few minutes late, but, as you know, our group meetings are all overrunning during this budgetary part-session. I thank Madam Chairman of the Committee on Legal Affairs for standing in for me.

Just to confirm what she has been saying, comparison of Rule 5 of our Rules of Procedure with Article 10 of the Protocol on the Privileges and Immunities of the European Communities might suggest that they are inconsistent with each other. In fact, however, the inconsistency is only on the surface. The Committee on Legal Affairs came to the unanimous conclusion, as you have just been so ably informed, that any suggestion of inconsistency could very readily be discounted by concentrating on the spirit of the text, the purport of which is that, as Members of the European Parliament, we enjoy the same rights on the territory of our respective home countries as members of our respective national parliaments. In the case at hand, the Belgian Constitution makes express provision that proceedings can be suspended by resolution of the House to which the member in question belongs.

In the present instance, our colleague against whom proceedings have been brought and who is due to appear in court on 25 November — hence the urgency — is to be treated as having the same status as a Belgian MP, and our Parliament as having the same status as the Belgian Parliament so that, should the circumstances arise, we could ask the Belgian authorities to suspend the proceedings, assuming of course that the Belgian judicial authorities asked us, through the normal channels, to waive the parliamentary immunity of Mr Roelants du Vivier. The matter would then come before us again and we could deal with it in the customary way.

Mr Schwalba-Hoth (ARC). — (DE) We Green-Alternatives support the proposal approved unanimously in the Legal Affairs Committee to prevent the legal prosecution of our colleague François Roelants du Vivier. There are, no doubt, substantial general objections to the instrument of parliamentary immunity, since it means that Members of Parliament are treated differently from other individuals: Parliament must give the green light before criminal proceedings can be instituted. But the point here is not abolishing immunity across the board, it is that in one specific case, the case of Roelants du Vivier, a legal principle, that of immunity — which has been applied unconditionally in this House until now — is not to apply.

Hitherto, German and Italian prosecuting authorities have very largely adhered to this ruling. The Legal

Affairs Committee — and specifically 'Mr Immunity', Mr Donnez — have so far had to deal with about a dozen and a half complaints against allegedly 'criminal Members'.

What is the issue here? Simply that a Belgian Member is making use of his right to concern himself with the woods round Florenne as part of his constituency work. Although he had the right, as a Member, to free access to all public installations, he was not allowed to set foot in the military base of Florenne, the site of the sixteen cruise missiles. There were problems, as in other EEC countries — I am thinking now of the Federal Republic of Germany, with its 187 US bases.

We as Members, the Belgian Government and the Belgian authorities ought to thank François Roelants du Vivier for taking his commitment to his constituents seriously enough to try to gain access as a pacifist, non-violently but with imagination, to the base. Instead, he was arrested and kept in custody for two days — and to cap it all, the Belgian authorities now want to take him to court, without respect for the European Parliament or EEC law.

(Applause from the left)

President. — The debate is closed.

(Parliament adopted the decision)

2. A People's Europe — Recognition of higher educational diplomas — Right to vote and stand in local government and European Parliament elections

President. — The next item is the joint debate on

— the report by Mr Brok, on behalf of the Committee on Youth, Culture, Education, Information and Sport, on a People's Europe (Doc. A 2-133/85);

— the report by Mrs Fontaine, on behalf of the Committee on Legal Affairs and Citizens' Rights (Doc. A 2-139/85), on

the proposal from the Commission to the Council (COM(85)355 final — Doc. C 2-71/85) for a directive on a general system for the recognition of higher educational diplomas;

— the oral question by Mrs Fullet and Mr Arndt, on behalf of the Socialist Group, Mr Bardong, Mrs Boot, Mrs Nielsen, Mrs Larive-Groenendaal and Mr Romeo, to the Commission, on the right of nationals of other Member States to vote and stand in local government and European Parliament elections in their country of residence (Doc. B 2-1124/85/rev.); and

President

— the oral question by Mrs Marinaro, Mr Barzanti, Mr Novelli and Mr Felinis, on behalf of the Communist and Allies Group, to the Commission, on the right of nationals of other Member States to vote and stand in local government and European Parliament elections in their country of residence (Doc. B 2-1125/85).

Mr Brok (PPE), rapporteur. — (DE) Mr President, now that we are dealing with the People's Europe, many Members are leaving the Chamber. Nevertheless, I would like to say that in its activities since 1979 the directly elected European Parliament has seen itself as the people's advocate. Many of the proposals we are discussing today in this report have already been put forward by Parliament as individual initiatives. The fact that the Fontainebleau Summit set up the Adonnino Committee is a consequence of our Parliament's continuous pressure. We must now make use of the opportunities provided by the activities of the Adonnino Committee.

The Brussels and Milan summits reinforced the Committee's position. We ought now to force the Council of Ministers to explain itself. It must tell us why it is not rapidly implementing these proposals which were worked out in detail and approved on principle by the Heads of State and Government. We should urge the European Parliament therefore to draw up a report in one year to check the implementation of the proposals and ensure that an Adonnino Committee II is set up for that purpose.

We must promote the People's Europe. The people do not regard a Europe of institutions as the only possibility. Each citizen must be able to feel Europe in his ordinary life. Only then can we create a sense of Europe. We do not want a bureaucratic and untransparent Europe but a Europe in which decisions are transparent, the administration is transparent, a Europe in which the people are involved and a Europe with freedom of movement.

That means the European Parliament must also work for civic rights, must muster the strength to create a common electoral law for the European elections, must improve the participation of the people in the Community; the people must be involved in the local decision-making procedures according to clearly defined principles and definitions and we must ensure that the right of settlement really is applied in the European Community so that Europe becomes a genuine Community.

If we want Europe to become clearly visible to the citizens, that also means that European law must be made visible, comprehensible and that Community law is transposed into national law in the foreseeable future. We cannot speak of a People's Europe when a European passport is approved in principle but in fact the governments keep finding excuses of one kind or

another for delaying its introduction. If it is not possible to really do something for the Europeans and their common consciousness in such practical areas, then the national ministerial bureaucracies will have failed once again.

We must promote Europe by increasing cultural cooperation, by introducing the concept of the European dimension into school education, by creating a European television, a European media network, by promoting the twinning of towns, which is perhaps more important than some European institutions.

In particular, we can only promote Europe if we bring young people together. That is why it is more than vital to the people that we support and expand youth exchanges in the European Community. If young people come together in the Community and get to know each other, no ministerial bureaucrat will be able to dissuade them that cooperation is important, no government will be able to send young people to war any more.

Once people have got to know each other, once freedom of movement has been guaranteed in full, it will no longer be possible to manipulate them, they will realise that there is no point in national resentment, and then Europe will really come together and found a system of freedom and peace which can be a model for the entire continent and the whole world. We can build Europe only if freedom of movement means that job qualifications are reciprocally recognized. This must be done in an unbureaucratic manner. Mrs Fontaine will explain this more clearly in her report.

We must ensure that young workers can do part of their training in another Member State. We must ensure that the forward-looking judgment of the Court of Justice on the possibility of studying in another Member State is not undermined now by new national decisions. In that way we can achieve closer European cooperation at the level of education and training too.

But above all European cooperation means abolishing the borders in the European Community. Fifty-nine per cent of European citizens are in favour of doing away with all controls, police or customs, at the internal frontiers of the Community in the next few years. They are fed up with standing in endless queues at the borders, especially during holiday periods, and having to wait patiently for passport controls.

The European citizen is slowly beginning to doubt the existence of the Community, since he sees so little effect in his daily life — and especially when he finds that like any traveller from a non-Member State he too has to submit, sometimes even giving his name, to police and passport controls at airports.

Quite apart from the fact that the value and quantity of goods which can be brought in duty-free are higher

Brok

in intra-Community trade, a national of a Member State who travels within the Community hardly enjoys more favourable treatment than a national of a third country or a traveller from a third country.

Naturally, the administration emphasizes the security value of border controls; every border must remain an optimal tactical police line. Of course we know that some conditions must be satisfied, e.g. the setting up of a European criminal investigation area or common measures to combat terrorism and drug smuggling. We must ensure that these controls can be carried out just as easily at any street crossing in the middle of any one of our countries — probably with a higher success rate than is possible at the Community's internal borders.

For these reasons, greater efforts should be made to achieve freedom of movement for the people. But freedom of movement also means improvement in practical areas. These may be minor points, but staggering holidays during holiday periods, insurance for holiday-makers, health protection in tourist areas, these are all practical questions which are not big politics but do make the individual aware of the Community. Common environmental protection and the formulation of rational European consumer protection legislation to prevent food scandals, such as the recent wine scandal, are important ways of making progress here.

Eighty-seven per cent of European citizens, be they on the left or on the right politically, are in favour of the creation of a European legal dimension. We must not allow the national ministries to continue deluding themselves that they can go on blocking all progress here. The European internal market, which is to include not only freedom of movement for the people but also the free movement of goods, which is conditional on the coordination of tax rates and the liberalization of service and capital movements, is without doubt important.

But what the people are primarily interested in is not questions of institutional power, not the conflicts about the powers of the various Community bodies. They want to know what part Europe plays in their life, what future prospects it offers them. They would like to be able to travel to and stay where they please or where they hope to find themselves a living. The freedom they call for requires a general right of residence for Community citizens.

'The European Council', and I quote, 'considers it essential for the Community to fulfil the expectations of the people of Europe'. That is why it should really implement these proposals, should implement the most important proposal of all, which is to give the people's representatives in Europe, the European Parliament, the necessary rights to enable it to protect the rights of the citizen *vis-à-vis* the bureaucracies.

We must realize that at present we find ourselves in a grey zone, in a situation where bureaucracies have

more power in many areas of jurisdiction than the national parliaments and the European Parliament together. At present all Europe is managing to do is to weaken the parliaments and reduce disliked democratic controls. Unless we manage jointly with the people to implement civic rights, democracy will one day have meant no more than the interlude between absolutism and a new authoritarian bureaucracy. Here, I believe, we must put the emphasis on working *for* the citizen and *for* democracy.

(Applause)

Mrs Fontaine (PPE), rapporteur. — (FR) Mr President, ladies and gentlemen, the proposal for a directive brought before us today by the Commission of the European Communities is concerned with mutual recognition of higher education diplomas representing vocational qualifications.

This proposal marks a significant step towards the fruition of many years of work on this important issue, in which this Parliament has played an active part.

It is exactly in line with the collective will expressed by the Heads of State or Government at the Fontainebleau and Milan summits. It addresses a real and particularly sensitive problem which has to be viewed in its overall context, remembering that one of the fundamental principles of the Community is the free movement of persons, workers in particular, of which the freedom of establishment is a part.

Application of this principle is often hampered by practical difficulties. Thus, when a national of a Member State holding diplomas entitling him to pursue an occupation in his home country wishes to pursue that same occupation in another Member State of the Community he will generally meet with difficulties because his diplomas are not recognized by the host Member State.

Granted, some progress has been made since the establishment of the Community, in the case of about 20 occupations now covered by specific directives; many of these are in the medical and paramedical professions. However, at the rate of about 20 directives in 28 years, it would take decades, a century even, before the objective enunciated in the Treaty was fully attained.

The Committee on Legal Affairs and Citizens' Rights therefore sees three advantages in the horizontal approach proposed by the Commission. First, it introduces a new spirit which, if it inspires further measures of the same type, will be conducive to the development of exchanges of people within the Community by creating a mood of spontaneous mutual confidence between Member States. Secondly, it proposes to bring in a rule which would be general in its scope, so that flexible procedures could be used in

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dealing with a wide range of particular kinds of case without waiting for harmonization which would be constraining and would probably have the effect of narrowing training options. In plain language, it proposes that any citizen who, by virtue of having completed a minimum of three years' higher education, is eligible to pursue an occupation in one Member State of the Community should be similarly eligible in any other Member State on making application under the conditions specified for this purpose.

Thirdly, the Commission has sought to establish a balance between the necessary guarantees to be provided by, on the one hand, Member States and their professions and, on the other hand, individuals wishing to take advantage of the arrangements. As far as the Member States are concerned, the proposal for a directive makes provision for cases in which the content of training courses or the range of activities covered by a profession differs too widely from one Member State to another. These guarantees are justified, as can be demonstrated by a few examples. As far as the content of courses is concerned, there are naturally some types of training which are similar in all our countries. This is the case of scientific disciplines, for instance. On the other hand, a lawyer for example will generally be engaged on the strength of his knowledge of the law of his country of origin, but there may be different legal concepts in the host Member State with which he will have to familiarize himself.

The proposal for a directive accordingly includes the possibility of a period of adaptation, not exceeding three years, during which such gaps in knowledge can be filled. The same applies in the case of the range of activities covered by a profession. For instance, in France an *avocat* has the right both to attend to case documentation and to represent his client in court. In the United Kingdom these two functions are separated. Case documentation is prepared by solicitors, while pleading in court is the province of barristers. The proposal for a directive also takes account of such differences. Nevertheless, the Committee on Legal Affairs and Citizens' Rights felt that the original wording did not afford sufficient protection to the professions concerned.

It is therefore proposing three important amendments in this connection. First, it is essential for anyone taking up or pursuing a profession to be required to comply with all the professional rules in force in the host Member State. Secondly, there should be provision for stricter checking of fulfilment of the criteria of good character, good repute and integrity.

Finally, it is right that the professions concerned, and higher education establishments, should be involved in the procedure for decisions on applications. However, just as the directive must guarantee the rights of States and professions to safeguard standards of training and service in particular, so individuals must be protected against the risk of arbitrary refusal. The Committee on

Legal Affairs and Citizens' Rights is proposing amendments under which the appeal procedures would be more clearly defined and Parliament would be involved in monitoring application of the directive.

I shall end this presentation with a brief but important point. The directives covering individual professions which have already been adopted will not be affected. Moreover, the Commission does not exclude the possibility of further such specific directives being drawn up wherever strong justification for them is found. It is merely adjusting the priorities in its approach, in the light of experience.

In conclusion, while it is well aware that difficulties will remain and will not go away at the wave of a magic wand, the Committee on Legal Affairs and Citizens' Rights believes that the attitude of pragmatic boldness reflected in this proposal for a directive deserves to be supported. Nevertheless, it needs to be supplemented by early action on three closely related lines: academic recognition of diplomas and periods of study to facilitate mobility among young European students, mutual recognition of certificates of vocational proficiency held by workers who have not undergone higher education, and a Community status for teachers, especially so that titles obtained by success in State-run competitive examinations can also be taken into consideration.

Today, bearing in mind these few reservations, our Parliament must make sure that it does not miss this appointment with history to which it has looked forward on countless occasions, in the hope that this quiet revolution in our customary ways of doing things will bring a People's Europe a little closer to reality.

(Applause)

Mrs Fuillet (S). — (FR) Mr President, ladies and gentlemen, the oral question with debate which we have tabled is entirely consistent with the concept of a Citizens' Europe which we all want to see.

With your leave, then, I shall now present this oral question.

It was drafted jointly, on the basis of a very broad measure of agreement, with representatives of the political groups and representatives of holders of local elective office from the countries of the European Community. For Community citizens who live in a Member State other than their own, generally with their families, the right to vote, in that Member State, in local and European elections is a very significant factor in our credibility. For over 10 years the citizens of the European Community and the European Parliament have been waiting for the commitments given by the European Council, which have been reaffirmed on numerous occasions, to be translated into reality.

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What we are calling for is the application of the principles enunciated in the preamble to the Treaty of Rome, namely the improvement of working conditions, the abolition, between Member States, of obstacles to the free movement of persons, and the determination to lay the foundations of an ever closer union among the peoples of Europe. We are constantly telling the peoples of Europe to engage in dialogue, to talk with one another, to cooperate, to work together, but in fact we do nothing for them.

The right to vote in local elections cannot legitimately be tied to the notion of nationality, because decisions on national problems are not taken at local level. Nor is the risk of double voting entailed in the proposed arrangements a valid argument against us. In many Member States, it is already extremely difficult as matters stand to get citizens living abroad to vote in national elections. Why should a Community citizen be deprived, because he is not a national of the Member State where he lives, of the opportunity to express his views on the schools or the facilities for the care of mothers and infants in his neighbourhood, on the state of the local roads or other cultural or civic problems arising in the daily life of his local community? In three Member States — Denmark, Ireland and the Netherlands — the right of foreign nationals to the vote is virtually established. For my own part, I am in favour of taking one step at a time, so I say 'let's start with the Europeans'. We cannot go on protesting every time we see human rights threatened in other countries if we do nothing to develop civil rights in our own countries!

Our question today is addressed to the Commission, as the institution with powers of initiative in the European Community. It was as long ago as 1974 that the Heads of State or Government charged the Council and a working party with the task of preparing a draft on voting rights. No concrete proposals have been brought forward to this day. Where does this leave the authority of the European Council? Are its declarations merely empty words, on which no practical action can be expected to be taken? As for the Commission, which purports to defend civil rights and to advance the process of integration, it was invited by Parliament almost two and a half years ago to draft a proposal for a directive concerning Article 235. Moreover, the Commission, in the person of Mr Narjes, promised to submit a report to Parliament before the end of 1983. Most disappointingly, it did not keep its word. What became of the report by Mrs Macciocchi and the motion for a resolution that it contained, or of the motions for resolutions tabled by Mr Ceravolo and others in 1979, or of the motions for resolutions from Mr Cariglia, Mr Ferri and others? Let me therefore put the question in bald terms: can we on the one hand listen to the Council and the Commission proclaiming 'we want more Europe', and on the other hand resign ourselves to being faced with a brick wall of inaction? As European parliamentarians, we can have no truck

with double-talk. Let me say very clearly to both the Commission and the Council: this will have to stop!

Mr Bardong (PPE). — (DE) Mr President, ladies and gentlemen, as co-author of this question let me add a few comments. Today we are talking about the People's Europe. The European Parliament has decided on several occasions that as regards political rights it was vital to ensure entirely equal treatment of all EEC citizens. Many of us are even suggesting introducing a general Community citizenship and expect that that would naturally also have to lead to a common electoral law with no discrimination against citizens of other Member States. But that is still very remote.

Here, as elsewhere, no progress is being made in Europe, except for the constant repetition of the political resolve to move forward step by step. That is why we must concentrate for the time being on the rights which can be granted at the present stage of development. But that also includes the active and passive right to vote and stand in local elections, it also includes a common European right to vote and stand in elections. That it can be granted was shown first by Ireland, then by the Netherlands and Denmark.

Naturally it is also possible in other Community countries. The reason for our question was that the proposals on a People's Europe contained not one word about this question of voting rights. That is why we ask the Commission — and expect a real, political statement — whether it too regards this question of the right to vote and stand in elections for citizens of another Member State as an important component of the general concept of a 'People's Europe'.

We are well aware of the difficulties which naturally cannot simply be ignored in this area. They are unmistakable in a country like Luxembourg, if only because of the size of the population. Of course we are also entitled to point to the difficulty of deciding at what time those responsible in the various Member States will be prepared to take the necessary steps. The situation is different from country to country, but in principle we must surely aim at ensuring the implementation of the right to vote and stand in elections of citizens of other EEC states — that is to say, that must remain our aim, for we have made this demand on several occasions in the past. We simply think that it needs to be confirmed again, this time during the debate on a People's Europe.

The basis of the decision must be granting this right reciprocally, and it must relate only to members of the European Community and not, as some people would of course also like, to all foreigners. In some countries there are constitutional barriers to the introduction of these rights for nationals of another Member State. That is precisely what I regard as discrimination in the long run in the European Community. Some countries

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are dismantling the constitutional barriers but have still not decided to introduce this electoral law. That at least is a step which we must recognize and appreciate as a realistic one; but there are also other countries in the European Community where even the constitutional barriers remain standing. They ought to be dismantled promptly. Then the right to vote in and stand for election must be introduced. We must acknowledge that the right time to do so differs from country to country. But even when these constitutional barriers have been dismantled and the right to vote in and stand for election has been introduced, there will still be other laws, such as the right to join a union and the right of assembly, that need reviewing.

This question can be answered only by a political majority. But in the long run it cannot be a question of party political majorities, just as the question of the accession of new Member States should not be a question of party political majorities for us or those States. It has already been said that the Commission is delaying. Let us at least for our part create the right preconditions. On this particular question we should ensure that instead of Sunday speeches, we make practical, step by step progress, so that the people will realize that things are moving — if only by small steps.

(Applause)

Mrs Marinaro (COM). — *(IT)* Mr President, ladies and gentlemen, the oral question with debate that we have tabled falls within the framework of the debate on a People's Europe, and on this subject we wish to devote our attention mainly to the question of the right of nationals of other Member States to vote and stand in local government and European Parliament elections in their country of residence: this is not a new question — indeed, it is one of long standing. The problem was already referred to in the Community's first plan of action in 1974, and was specified as an objective to be achieved, in the resolution approved by the Council of Ministers in 1976. Moreover, the Commission itself undertook, in June 1983, to present to the European Parliament, by the end of that year, a report on the question, together with proposals.

We have now come to the end of 1985, and there still is no positive sign forthcoming from the Commission in this connection; whilst they play for time, and whilst time is being lost, the living and working conditions of millions of people are deteriorating, in the current crisis situation. Foreigners in general, in fact, as well as citizens of Member States, continue to be considered at best as guest workers, without any rights whatsoever in their country of residence, where they have lived for years. The European Parliament has on a number of occasions reported the extent to which the economic crisis has contributed to worsening the problems and living conditions of the migrant workers and their families — insecure, unfavourable conditions that make their legal status more precarious. And this

is the case not only where migrants from outside the Community are concerned — it applies also to workers from a Member State of the European Economic Community, despite the fact that they are in a special position, because their rights are founded on regulations based on the Treaty of Rome.

The political participation of foreigners in general — as the European Parliament indicated with a very wide majority — but in particular of citizens of the Community, is thus considered and remains one of the essential prerequisites for achieving effective integration, the kind of integration necessary for the building of a common Europe, the People's Europe which we are discussing today. It appears increasingly obvious, therefore, that this right can no longer be refused to those who, for years now, have contributed to the productive and civil life of their country of residence. It is becoming increasingly difficult to dissociate the exercise of political rights from the other aspects of civil, economic, social, cultural and even scholastic life, following the changes that have intervened with the stabilization of migration in Europe. Giving guarantees in any one of these four fields without giving them where political rights are concerned means obliging foreign citizens — and especially the young people of the second or third generation who were born in their countries of residence and grew up and were educated there — to forego having any part in the decisions that concern the society of which they are an integral part. In addition, as far as we are concerned, to continue withholding from foreign workers and especially citizens of Member States the fundamental right to choose their own representatives in democratic institutions also means converting the differences in economic development between the countries of origin and those of residence into a condition of political inferiority and civil minority.

What is more — and we want to emphasise this yet again — where the phenomenon of migration generally is concerned, insistence on equality is not a rhetorical pretext but is based on an analysis of that phenomenon — of the conditions, that is, under which it has occurred, on an analysis of the economic, cultural and also demographic role that it plays, and on the desirability for the migrant workers to establish themselves in their countries of residence. Where this particular question is concerned, this insistence on political participation for migrant workers in the Community has its basis in the Treaty of Rome itself. We consider that, now of all times, we cannot continue disappointing and ignoring these expectations.

In this phase of very acute crisis there are problems which, if they are not tackled in time, can do great social harm, even endangering democracy itself. For that reason we staunchly defend Parliament's decisions, and we insist with our resolution, so as to make the Commission assume its responsibilities and present, without delay, a concrete proposal, at least as regards the rights of Community citizens to vote and

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stand in local government elections in their countries of residence, and in the elections to the European Parliament. In this way the experiment in this field that has been carried out individually by three Member States of the Community — Ireland, Denmark and the Netherlands — will enrich the entire Community. Two countries in particular — Denmark and the Netherlands — have given the right to vote and stand in local government elections to all citizens, both of Member and non-Member States of the Community, without any distinction whatsoever.

As far as we Communists are concerned, this right should be given not only to citizens of Member States but also to those of non-Member States who have resided in one of the countries of the Community for at least five years. And this is not only on the grounds of justice, equality and solidarity, but also to avoid subdivisions which, especially in these critical years, can have unfavourable, harmful effects on relations between the different communities — and to fight, effectively and firmly, the resurgence of racialism and xenophobia which is apparent in Europe today.

If we wish to build a real People's Europe we cannot continue stifling the voice of part of the European population, reducing them to a mere labour force at the mercy of every short-term fluctuation. It is no longer enough to proclaim rights: the essential thing is to implement them, and have them respected. The conditions under which one million women and men are living call for concrete action and precise plans. To this end the European Parliament has already expressed its views and suggested proposals in various resolutions that were approved by very wide majorities. In addition to the 1983 resolution of the European Parliament, the content of which we firmly defend, we would recall the European Parliament's resolution of November 1977, which proposed conferring the status of Community law on the regulations on civil and political rights that were contained in the constitutions of Member States. The proposed procedure was based on Article 236 of the Community Treaty, with the aim of introducing a framework convention restricted to two articles: the first article was to lay down that constitutional rule and international conventions regarding civil and political rights were promoted to the rank of Community law. The second was to allow Member States to place citizens of the Community, by means of an ordinary law, on the same level as national citizens, such equality to apply to all sectors, including civil and political rights, and to apply equally to duties and obligations.

As part of the process that has been started for the implementation of European Union it is possible, and necessary — as the 1977 resolution pointed out — to draw up a consolidated text laying down the rights of migrant workers within the Community. Leaving aside declarations of principle, only this act would have any legal significance for the future citizens of Europe, whose rights it would define and protect in accordance

with Community law. Within this framework it would then be possible to include not only migrants from Member States but also those from non-Member States. We thought we ought to recall these proposals because they seem to us to be the best suited to the present situation and, as such, the most likely to overcome the constitutional obstacles that are today raised by Member States.

We consider that, after over 10 years examining the question, the time has come for concrete action. The facts of the situation, as we have already said, demand responsible decisions that are both necessary and urgent, and for that reason we insist that the Commission put forward its proposals as soon as possible.

(Applause)

Mr Tuckman (ED), *draftsman of the opinion of the Committee on Social Affairs and Employment*. — Mr President, when the appointment of Lord Cockfield as Commissioner was first announced, we wondered whether this would be another British foot on the brake of Europe. Happily, he has unexpectedly identified himself as much with the EEC as once did, long ago in history, Thomas Becket when he became the defender of the Church against his king, to the intense annoyance of the monarch, who had appointed him to be his obedient servant. We just hope that the lady of today will do less harm to our Commissioner than Henry's knights did to Becket.

The Committee on Social Affairs and Employment, whose amendments I am presenting, wants to see the common market opened up, as does everybody in this House. We want people to be able to move across Europe freely, exercising their skills to the advantage of all and without hindrance of the internal boundaries which obstruct us now. So we passionately support the Commission's aims embodied in the draft directive. The aims are just right and they identify the problems quite correctly. It takes far too long to achieve mutual recognition of qualifications when the professions are left to move at their own pace or not at all. But what is now proposed has been rushed through this Parliament, has not been discussed with the people concerned and is meeting with opposition right across Europe.

What my committee wants to see is a sensible approach to social engineering. We need to tell the professions that the way they are going on now is unsatisfactory. It is not alright to take 18 years to get agreement amongst the architects of Europe that they will recognize each other's qualifications. That is too long. But what is now proposed is altogether too quick, and it would never be accepted by the social partners. One has only to remember the fate of the proposed Vredeling Directive to see that any proposal of this kind would never be accepted as between the partners in industry. Yet this is what we expect from

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the independent professions. By all means, set deadlines; for example, that in 2, 3, 5 years or whatever from now there must be agreement. There must be the sort of consultation that is consonant with elementary good management in industry. Without such consultation you do not get commitment, and without commitment you have a disaster on your hands.

Let me give two examples. In the Netherlands, it takes 4 years' medical training followed by 4 years' pharmaceutical training to produce a pharmacist. In neighbouring Belgium, the 4 years' pharmaceutical training is enough. Without discussion how can there be agreement? This is just one example, and I give it to show that personally I am committed to the idea of movement across Europe. Another example: I know of a teacher in Britain whose only fault was that she had taken her degree after her practical experience instead of the other way round. This was used as an obstruction to prevent her from practising her profession.

We want to see the results. We are of the opinion that the Commission's approach is flat-footed. Therefore I ask the House to support my committee's amendments in the vote tonight.

Mr Ripa di Meana, Member of the Commission. — (IT) Mr President, ladies and gentlemen, by tradition your Institution is undoubtedly the closest to the people, and it is one that has always shown a special interest in this question.

The initiative taken by the Committee on Youth, Culture, Education, Information and Sport is further proof of this.

I should like to express my satisfaction that this should be so, and congratulate Mr Brok on the excellence of his report, and the enthusiasm with which he presented it this morning.

As Mr Brok in fact reminds us, the 1984 European elections highlighted throughout the Community the ever-increasing gap between the building of Europe and the citizens of the Community. For this very reason the Commission regards very favourably the initiative of the European Council, which decided at Fontainebleau to set up an *ad hoc* Committee of personal representatives of Heads of State and Government.

As the representative of President Delors on that committee I can bear witness to the fact that every one of its members has worked with a firm will to overcome the difficulties existing in each State. Of course today, with hindsight, we can deplore the fact that the systematic search for agreement has to some extent changed the scope and, above all, the precision of the proposals put forward in the two reports. Nevertheless, it seems very important to me that, as you, Mr Brok, propose, we should keep to the path indicated

by the committee if we are to make practical progress in the implementation of its proposals.

For its part, the Commission will not fail to condemn any contradiction between commitments entered into and difficulties raised when the time comes to translate commitments into concrete action. Such contradictions have already appeared in discussions on the freedom of movement of persons, the right of establishment, the right of residence and support for co-production in the field of television and the cinema.

Whilst the general concern to associate the people with the building of Europe is undoubtedly a good thing, it is however necessary for any policy for the people to avoid two stumbling-blocks.

It is necessary, on the one hand, to avoid the easy solution, based on simple expedients of an external nature, the disreputable 'gadgets', as they are called, of the People's Europe, which bring no concrete results; and, on the other hand, the measures to be put in hand must not be exclusively the perquisites of the European institutions.

Any political action, rejecting the purely spectacular aspect, and regardless of the level at which it operates and the means that it employs, must have as its aim the interests of the citizen. This is true where economic and social policy are concerned; it is true of agricultural industrial policy, and it is also true of budgetary policy.

It must on the other hand be admitted that, at times of crisis, the citizen does not see how his interests are being protected in the austerity that is imposed on him. If we add that there sometimes appear to be, and sometimes undeniably are, compromises that make such policies difficult to understand, with the Council's statements and press releases, we may well wonder whether, to quote Paul Valéry, politics is not 'the art of preventing people from getting involved with what concerns them'.

Our glass building, the Berlaymont, has too great a tendency to turn itself into an 'ivory tower'. That is why the work of explanation and information, by the Commission and Parliament, must be continuous and aimed at the citizen. With this in view the Commission, at my suggestion, has recently reorganized its information policy, giving priority to regional information and information on television. Every citizen must be aware of how much he receives from the Community in terms of new economic and individual rights, in terms of financial measures — particularly as regards the creation of infrastructures — in terms of industrial and scientific possibilities and, as your report points out, Mr Brok, in terms of protection of health and the environment.

Without such action, to which Parliament can make a considerable contribution, even initiatives designed to

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provide the Community with symbols with which every one of its citizens can identify are destined to remain sterile. These symbols — the European passport, for example, or the European driving licence — are undoubtedly important, but, in the eyes of the people, they must correspond to new progress. Otherwise they will be reduced to the rank of mere administrative expedients.

The other stumbling-block to be avoided is a policy for the people that is restricted to mere acts by the administration. In such a case, failure would be certain.

I note, however, with interest that the motion for a resolution calls also on the non-governmental organizations. The organizations of an economic, social and cultural character must in fact make their own contribution.

For its part, the Commission will do all it can to arouse the interest of these bodies, these intermediaries. This seems to me to be the road to take, particularly where youth and student exchanges are concerned, as well as in the field of sport. And you yourself, Mr Brok, mentioned the European Cultural Foundation, which seeks to promote cultural activities at European level. Since we are talking about culture, it goes without saying that action in that field cannot be contained within precise frontiers. As the *ad hoc* Committee emphasized, the Council of Europe has an important part to play, and we must support it in its initiatives.

This inevitable dispersion of responsibility is one of the difficulties that puts a brake on the Commission's action. One of the omissions of the two reports by the Adonnino Committee is that they concerned themselves with many subjects without trying to identify precise areas of responsibility for their achievement — often, because there was no agreement as to which national or Community body should assume responsibility.

Another failing of the two reports by the Committee is that they sometimes sought to be too exhaustive, without trying to pin-point precise priorities. Your report, Mr Brok, and the motion for a resolution therefore attempt to define priority measures. This is also our approach. The Commission has therefore decided to deal first of all with the measures which, on the one hand, use the European dimension for the benefit of the citizen and, on the other hand, give the citizen the impression of belonging to a common political complex. These priorities are identical with those that figure in the motion for a resolution.

In the first category there are the measures in favour of the freedom of movement of persons and their personal belongings: the right of establishment, the right of residence, the right to vote, youth exchanges and tourism. In the second category there are the measures

of a symbolic character — the fight against drugs, the protection of health, the creation of an audio-visual space, and culture.

I shall refrain, therefore, from making a long and tedious list of the precise initiatives already taken by the Commission. It is now common knowledge that we are trying to make the Council respect the guidelines in the Committee's reports regarding the simplification of frontier controls, the right of residence and aid for co-productions. Unfortunately we are encountering a disturbing amount of resistance, as Lord Cockfield has moreover recalled publicly on a number of occasions.

The Commission has also drawn up a proposal for the general recognition of diplomas that is being discussed here this very day, and which I shall talk about in a few minutes.

A motion for a resolution for the abolition of 'Customs' signs at internal frontiers and for changes in the system of signs at external frontiers has also been put forward. The Commission would be glad to have Parliament's opinion in this connection, and I now ask again for this opinion.

The Commission recently sent to the Council, Parliament and Member States a communication that examines the situation and problems of frontier populations.

Finally, by the end of the year, the Commission will take an initiative regarding the European flag, on the basis of a model put forward by the Adonnino Committee.

As I said, therefore, at the beginning of my speech, the work of the Adonnino Committee forms a useful working basis that may inspire ambitious initiatives, but might also lead to bitter disappointments. To avoid that risk we, the Commission, and you, Parliament, must accept the challenge and induce the Council and Member States to take action.

For our part, we have firmly decided to face the Council with its responsibilities and attack it if any delay or inadequacy whatsoever occurs in connection with the commitments that it has entered into. Only too often the words of the Council, no sooner uttered, have melted on those lips like cocoa butter. We intend also to take those initiatives that fall strictly within the competence of the Commission. In response to the indications that emerged at the Milan Summit, and in accordance with a suggestion made by the Adonnino Committee, the Commission will submit a progress report to the Council meeting of 2 and 3 December. This report — I can tell you already in advance — censures the scant results obtained so far in the Council, explains the proposals already submitted after Milan, and announces the working programme and its priorities for the next six months.

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It is important that today's debate should not constitute an exceptional event; instead, it should inaugurate a practice that will evidence in fact the permanent attention that the institutions must accord to the citizen; and the well-considered frequency of these joint examinations is something to which I would call Parliament's attention. It is a necessity that we recognize, and in which we will participate attentively and with promptness.

From this same standpoint I consider that the proposal contained in the resolution to set up a 'Adonnino Committee II' in 1987, to review what action has been taken, deserves special attention by the Commission, and I think therefore that this is a point to which Parliament should draw the European Council's attention. However, if the work of this possible Adonnino Committee II is to lead to positive results, without risking the credibility of the Community, every member who is designated must possess the power and the will to act, without delay, as a catalyst and spur where the authorities are concerned in his own country.

With regard to the Fontaine report, the proposal for a directive on a general system for the recognition of higher education diplomas — on which the European Parliament is asked to express its opinion — is of the greatest importance, in the eyes of the Commission. It is in fact one of the essential guidelines that determine the future of the European Community, and it reflects, as well, the existence of a European cultural entity, despite the differences in national traditions.

The European Council in Fontainebleau, at the end of June, 1984, emphasized how urgent it was, for the realization of a people's Europe, for there to be a general system of recognition of university diplomas that would make the right of free establishment in the Community effective.

This has very rightly been referred to in the report submitted for your examination on behalf of the Committee on Legal Affairs and Citizens' Rights.

So as not to prolong the debate unnecessarily, I will not say very much more about the characteristics and main decisions in this proposal, because — it seems to me — they have been very clearly explained by Mrs Fontaine in the excellent, persuasive presentation of her report. I should like only to dwell on two aspects of the proposal that the Commission considers essential.

First, the new arrangement — that is to say, the implementation of a general system for the recognition of vocational qualifications at the level of higher education — fully corresponds to the recommendations of the *ad hoc* Committee on 'A People's Europe'. And for this reason we may consider that the European Council, in approving the reports of the 'Adonnino Committee', has already expressed itself in favour of this solution. This is one more reason why the system

should come quickly into operation. In other words, to use the terms of the 'Adonnino Committee's' report, it must be possible, beyond all shadow of a doubt, to apply the measures in the proposed directive within a relatively short time.

It is therefore necessary to do everything possible to ensure that the proposed system should produce its effects and provide concrete benefits in the daily life of our citizens well before the next elections to the European Parliament. That is why, in its 'White Paper' on the completion of the internal market, the Commission envisages the adoption of the directive for the beginning of 1987. The Commission therefore welcomes the fact that, scarcely three months after having received the proposal, Parliament is voting on it.

Secondly, the new system is essentially pragmatical in character, based on the sociological verification of the comparability of the levels of higher education in Member States — and this comparability is all the more clear-cut, because the levels involved are higher. It institutes an individual, concrete procedure for checking the disparities that may nevertheless exist, regarding the duration and content of training and the field of professional activities involved.

It is the responsibility of Member States, amongst whom the principle of mutual trust must be increasingly applied, to guarantee the efficacy of this procedure, associating the professions with it but not giving way to corporativism.

Despite the fact that it is entirely new, this system does not carry with it any risk — and here I should like to dispel some doubts that I have felt emerging — of involvement in a 'leap in the dark', provided that a balance is maintained between the interests of the members of the professions and the host Member States, on the one hand and, on the other hand, the interests of the holders of higher education diplomas and the States from which they originate. It cannot be forgotten that freedom of movement and establishment — which implies the exercise of vocational activities — is a fundamental principle of the Treaty that should be implemented as quickly as possible. The conventional way, through agreements — and I should like here to remind Members of the case of the architects and pharmacists — has shown itself to be inadequate and, in any case, too slow. In the case of the architects, it took over ten years. We have therefore now to adjust our bearings and put the emphasis on the rights of the citizen as an individual, and as a person free to practice his or her profession.

I should like finally to emphasize that, by supporting the report adopted by the Committee on Legal Affairs and Citizens' Rights and the content of the amendments which that Committee proposes, the Commission will present to the Council of Ministers a modified proposal pursuant to Article 149, paragraph 2, of the EEC Treaty.

Ripa di Meana

The amendments proposed by Mr Tuckman — whom I thank on behalf of my colleague, Lord Cockfield, for his benign assurance that, unlike what happened in certain well-known historical precedents, Mrs Thatcher will not have his head cut off — cannot be accepted because they place a question-mark over the policy and objectives of the European Council at Fontainebleau in 1984, which were developed by the 'Adonnino Committee' and were already adopted by the European Council at Brussels in March of this year.

The other numerous amendments, in the Commission's view, make genuine improvements to the proposal: some others are acceptable, although not indispensable. At all events, the Commission intends to analyse them further.

Coming to the last point of this joint discussion — the point, that is, raised by Mrs Fullet and Mrs Marinaro, and also by Mr Bardong — I should like to be extremely clear and, as far as the Commission is concerned, self-critical.

The question of the right of nationals of other Member States to vote in local government elections in their country of residence is a well-known problem that has been discussed since 1974, and I agree with every reference that has been made to the fact that its consideration has gone on overlong.

The Commission and Parliament have emphasized on a number of occasions that the granting of this right to vote is an essential constituent of a people's Europe. Experience and the long discussions that have taken place on the subject to date have made us aware that a commitment to resolve the problem of the right to vote at local elections must be handled, certainly, with every care and attention to detail, but it must culminate in the formulation of conclusions and proposals. It is, as we know, a very sensitive subject politically, that also presents delicate legal and constitutional problems in a fair number of Member States. However, as has been shown again recently, in the Netherlands, these problems are not insurmountable, if there is the necessary political will to solve them.

The draft uniform electoral procedure for elections to the European Parliament, pursuant to Article 139, paragraph 3, of the Treaty, if adopted quickly by the Council — as I hope, and as I shall urge upon the Presidency — should allow a decisive step forward to be made towards the right to vote at local government elections, thanks to the expected recognition of the right to vote in accordance with the regulations of the country of residence of the elector.

I consider in fact that this decision could help significantly to change certain mentalities, to dispel certain apprehensions and change certain political attitudes that constitute the main obstacle to acceptance of the principle of the right to vote at local elections.

In June 1983, Commissioner Narjes, faced with a request from Parliament to present a proposal for a directive, indicated that it was necessary first of all to have a report that would make it possible to identify, precisely, the limits of the question, not least because — as my colleague had reminded us — 'there are certain questions of political opportuneness that have to be taken into consideration when deciding the date for a proposal along these lines'.

I should like to express my regret for the fact that, up to now, it has not been possible to present this report to you. We have to recognise, in a spirit of self-criticism, that there has been delay on our part. This is to some extent due to the priorities that have arisen in the field of action for the relaunch of a 'People's Europe', and that were imposed by the working programme of the *ad hoc* Committee. These priorities have made exceedingly heavy demands on the very scant human and technical resources available.

Following the decisions of the European Council at Fontainebleau, which set up an *ad hoc* Committee to deal with this question, all our energies have been concentrated on the work of the committee, which recognized and was very appreciative of the contribution by the Commission.

Now that the Committee's work has finished, I consider that the time has come to arrange for the drawing-up of that report, and I intend to relaunch this initiative with my colleagues on the Commission. However, bearing in mind the demographic, political, social and cultural dimensions of the problem, which — I say again — have to be analysed and gone into in detail, it will be some months before the report will be passed to you.

The question of the right to vote in local government elections was considered by the 'Adonnino Committee'. The Committee recommended that work on this question should be continued, pointing out, however, that it is a matter for Member States. Since I considered the 'Adonnino Committee's' recommendation on this point unsatisfactory, I personally pointed out — and this is recorded in a note in the report itself — that, in the Commission's view, this right is an essential element in the concept of a People's Europe, and that a great effort should be made to accord this right to vote without delay.

I have to report that this question is at the moment under discussion by the Intergovernmental Conference. In this connection an extremely interesting proposal was put forward by the Danish representative — a proposal that I consider to be very advanced and very positive. The Commission will therefore bear in mind the result and political guidelines that will emerge from the work in progress in that Conference, when preparing the next initiatives.

I should like to emphasize once again that my personal preference is clearly in favour of a legislative type of

Ripa di Meana

solution. However, I cannot overlook the fact that the presentation of a proposal for a directive presupposes that the Commission, as a body, not only approves the principle of a legislative act but takes a decision, when the time is right, to launch that proposal, assessing very carefully all the political factors capable of offering the greatest guarantee of success. In addition, all the legal problems must be analysed very carefully, so as to make the proposal perfectly consistent.

If the majority, the great majority, in Parliament want this legislative type of initiative, I can today, in front of you all, undertake to ask the Commission to consider whether it would not be opportune to present forthwith a proposal for a directive. In this way, there will no longer be any possible ambiguity.

This seems to me to be the best way of proceeding. In any case, your honourable Assembly will be kept informed of whatever decisions are taken.

In this way Parliament and the Commission will be able once again to evidence in a concrete manner their concern for a People's Europe in general, and for this right, which is a fundamental part of it.

(Applause)

IN THE CHAIR : MRS CASSANMAGNAGO
CERRETTI

Vice-President

President. — I have received two motions for resolutions, Doc. B 2-1165/85/rev. and Doc. B 2-1167/85, with request for an early vote, to round off the debate on the oral questions.

The vote on the request for an early vote will be taken at the end of the debate.

Mrs Seibel-Emmerling (S). — *(DE)* Madam President, honourable Members, what a diligent report this is, in which Mr Brok has eagerly tackled the task of bringing together with what one might call a book-keeper's meticulousness all the clever ideas that have been thought of in this House and tabled as proposals on Community policy. We shall endorse this list.

But it is at the same time a list of the Council's failures, of its criminal inertia, its persistent disappearing act when faced with problems, but its inventiveness in the case of non-binding statements.

But is this list really the People's Europe? Do the people recognize themselves in it? Day after day the people look at the European Community in impotent fury and see what is really behind it. They see the way con-

servative governments lop off their social rights, they see the advancing unemployment, which is an ever more serious obstacle to the desired mobility and which forces more and more people into the immobility of new poverty, they see the revival and increasing power of self-interested State decisions which are short-sighted and diametrically opposed to the European Community.

What is the point of all those right and sensible measures in education and information, of flags and hymns to create a sense of Community, if the citizens find year after year that a completely misguided agricultural policy is transposing their hard-earned taxes into unsaleable surplus production? Regrettably, the rapporteur's group is partly to blame for this too.

When the citizens find the European Community behaving like an undertaking that throws fruit onto the rubbish dump or lets butter go bad in storage — in a world which lets people starve to death every day, in fact every minute of the day — then they do not recognize it as the People's Europe. They cannot identify with this European Community, unless it becomes what we are aiming at.

The European Community must become an area of social progress in which people feel at home. It will not aim to be a third world power but must be a power for peace which respects the real needs of the people and therefore serves not as an awful example but stands as a hope for the other regions of our so endangered planet.

(Applause from the left)

Mr Münch (PPE). — *(DE)* Madam President, honourable Members, I shall not dwell on the platitudes of prejudice and pontification, but will go straight to the heart of the matter.

For the sake of clarity of idea and concept, may I first describe what Europe means in our view and according to our lights. Europe is more than the sum of geographical regions, more than an economic power, a marriage of convenience of the constant attempt to achieve a minimum consensus between ten different national interests. It is more than a body responsible for crisis management, a body of executive representatives, and more than a margin for the internal political careerism of bureaucrats. Europe is a necessary historical experience, the result of the realization of far-sighted and wise statesmen in the first post-war years after 1945 of the need to found a Community of values based on the principles of peace, freedom, respect for human dignity and human rights, constitutionality and democracy. Europe is the bitter lesson of an unholy past and its aim is to create a peaceful future; and Europe is the appeal to all democrats to take an active part in formulating these aims and ideas.

Münch

If we try to take stock of what has happened to date on this basis, we must note the following: firstly, there is no doubt that a lot has been achieved of which we can be proud and for which we must also be grateful. Of course we know that Europe needs patience. We know that Europe is not a kind of prefab, but is more like a cathedral. We know that Europe is like a tree that grows rather than being constructed. Yet we must admit that we are moving forward too slowly and with too much difficulty and that there is too much short-sightedness and political narrow-mindedness. Is it not strange that we continue to find rationally and emotionally that the problems that can only be solved on a European basis continue to increase while at the same time national egoism is growing stronger?

What is the people's view of this? They do not want constant meetings and conferences, using up quantities of paper and producing few decisions. The people do not want obstacles, barriers, forms, taxes, controls and conflicts. The people certainly do not want stagnation and resignation. The people of Europe want encouragement for an idea. They want to be helped to acquire a stronger sense of Europe, they want more opportunities to accept and identify with Europe and they want the way paved for visions and real Utopias. Aside from all the individual political issues, what is decisive in the end is the people's participation in the political decision-making in the Community, for at the basis of a democratic constitutional Europe lies the implementation of the principle of the division of powers — as the German President of the Federal Republic said here three weeks ago.

With Europe we are faced with a great opportunity, and we must continue to use it. Europe's power as a force for peace must be preserved, expanded and improved. The large majority of the people of Europe want to be involved in this task and we all know that the European Parliament is at their side. The Council of Ministers in particular cannot be released from this obligation. There are limits to the people's patience. Basically the Community cannot go on living with the present democratic deficit and according to the lowest possible political denominator. I think we have had enough Sunday speeches and avoidance of problems.

Now we need deeds which speak to the hearts and minds of the people and mobilize them. Europe needs courage, energy, and not peevishness. Europe needs a motor that is running, not constantly squeaking brakes. I hope the Council will at last be prepared to take the necessary steps.

(Applause from the Group of the European People's Party)

Mr Ripa de Meana, Member of the Commission. — (IT) I rise simply to clear up a point. I have been told by Mrs Vayssade that in the simultaneous translation of my speech in French, part of it was not clear, the

part relating to our position in regard to the amendments put forward by Mr Tuckman. I should like, therefore, to make it clear that we are opposed to those amendments. We consider that they should be rejected.

Mr Howell (ED). — Madam President, Europe today is like a bicycle. Driven too fast for the road, it can become a dangerous machine; driven at a reasonable pace, it becomes a most useful device; left stationary, it is not only useless, it becomes just a lump of metal, highly unstable and almost certain to be a great danger to anyone near it or on it. That, unfortunately, is the state of Europe today — static, unmoving, even dangerous and, I suggest, unstable.

The people of Europe expect more, hence our support for Mr Brok's report today. Much of that report has little budgetary consequence, such as the matters concerning educational exchanges and the encouragement of town-twinning. Much has vast implications for massive profit-making, such as the abolition of internal customs and the harmonization of transit documents. The call for a renewed drive towards European monetary union will be welcomed by all those involved in the ridiculous complications of trade within the Community.

More than this, my group particularly welcomes those parts of the report devoted to the creation of a Europe of immediate importance to its citizens, particularly those parts relating to tourism and a greater freedom of travel for all. We totally concur with the desire to create a true, free internal market. Here Conservatives in the European Parliament find it increasingly difficult to understand the attitude of the governments of the United Kingdom and perhaps Denmark. So many fine words are spoken on the subject of Europe by our statesmen and women, words pointing to Europe as one of the twin pillars of our strategy to a more prosperous future within a peaceful, stable and free society. Yet actions do not appear to fit the words. Hence our dismay at the unsatisfactory efforts to reform the Community's decision-making process. Hence our dismay at the apparent inability of the Community to meet its responsibilities, particularly those designed to create greater freedom of trade. Hence our dismay that this Parliament is only allowed to play at representing our electorate. The words of European statesmen do not match their actions. They have allowed the European concept, once so exciting an adventure, to become simply boring.

I call now for that attitude to change. Frustration on these matters grows in my group. In supporting Mr Brok's report, we wish to serve notice: the Council has abdicated; the national parliaments appear uninterested; the Commission has become powerless. It is left to this Parliament to uphold the dreams and visions of our young people. We must take up the challenge.

Mrs Larive-Groenendaal (L). — (NL) Mr President, ladies and gentlemen, let us not fool ourselves. If and as long as the intergovernmental conference fails to agree on majority decision-making, we might as well forget all Mr Adoninno's and Mr Brok's praiseworthy proposals. The European Parliament must therefore remain united in its struggle and not lose heart. I think the Dutch Presidency, when it takes over on 1 January, will be saddled with a tiresome legacy because the chances of our governments coming to an agreement on 2 and 3 December are surely very slight.

All right then, the Council may graciously and benevolently give us a sop from time to time, something nice for the people, like a European stamp or the European flag, but then again it may not.

But, ladies and gentlemen, would that be a People's Europe? No, a People's Europe is a strong Europe that joins forces and has a free and integrated market that is far larger than the United States' market. That is the best plan for jobs, the best way to tackle unemployment, with a single area of jurisdiction in which drug-dealers, terrorists and arms-smugglers are tracked down, with a single visa and a single policy on aliens so that the internal frontiers can be really open, with a single, uniform election system under which citizens of other Member States can vote and stand in local and European Parliament elections.

But these decisions are not being taken. Although each European worker works one week each year to pay for frontier formalities, national bureaucracy and national short-sightedness triumph every time, because the right of veto paralyses decision-making every time. We must make this perfectly clear to the people of Europe: the bankruptcy we face is not one of cents, pennies or pfennigs, but one of decision-making, and in six weeks the decisions will have to be taken by 12 rather than 10 countries.

Over the heads of our governments, over the heads of our ministers, we must make an urgent appeal to our citizens to get them on our side, and for that we must pursue a much more lucid information policy and do a far better job of selling what we have achieved: European television, reading material that is clear and to the point, accessible information disseminated on a large scale. And why not have Strasbourg on the television today to tell the public that the European Parliament is the only finger in the European pie and costs as much each year as a packet of cigarettes? Only when we know we have the public on our side, only when the electors begin to exert pressure and give support, will our ministers dare to look further than the end of their national short-term noses, and only then can Mr Brok's very laudable proposals, which my group fully endorses, be translated into deeds.

Mr Flanagan (RDE). — Madam President, I will deal only with the report submitted on behalf of the Com-

mittee on Legal Affairs and Citizens' Rights and presented so ably this morning by Mrs Fontaine. As she says, this is indeed a significant milestone along the road to the achievement of one of the basic objectives of the Treaty. I congratulate her and the committee.

I am also pleased to be able to thank the Council of Ministers for having taken the blindfolds off their eyes in order to be able to see the road ahead. I dearly wish that they would keep those blindfolds off their eyes all the time and not put them back again, as they regrettably so often do. That is why so many of the speeches made so far in this debate have pointed out, as Paul Howell did, that at the moment we are a stationary vehicle, on the road, not moving and in fact a danger.

My direct involvement, so far as this matter is concerned, is in the field of law. This provides a very good illustration of the fact that, while you may wholeheartedly agree with the recognition of diplomas and qualifications, there are practical difficulties in the way. For instance, Mrs Ewing, who sits here, is a lawyer who has qualified under the Scottish legal system. I qualified under the Irish, which is also basically the English, legal system. Yet, in my view, a person who has a qualification in the law from Edinburgh or Dublin would undoubtedly require a postgraduate course to practise in the other country. That is where the practical difficulty arises.

Here, indeed, maybe some simple board of appeal would be appropriate to ensure protection against arbitrary refusal — a factor that Mrs Fontaine rightly mentioned in her opening remarks. I do not want a big thing, just a simple board which would adjudicate on whether the period of postgraduate study required is or is not appropriate to the circumstances. A number of anomalies arise in this regard, even in my own country at the present time.

In medicine, about which I have considerable indirect experience, some practical problems do arise. The Commissioner rightly mentioned architects as well as chemists in this regard. Here again, so long as we are satisfied — and we do require to be satisfied — that the standard of qualification is in fact equal, then the road ahead is clear. Whatever difficulties may be created, we should be, and we now obviously are, determined to go ahead with the practical achievement of this so laudable objective.

Going back to the law again, in Ireland there are now more solicitors than there is work for them to do, and more barristers on the other side of the profession. Even so, I warmly welcome the fact that this directive will, in a short space of time now, become operative. This applies to chemists and all the other people as well. Whether you like it or not, even though the place is overcrowded, this is what Europe is about and this is what Europe was created to do. Like it or lump it, arbitrary methods of keeping this from being achieved

Flanagan

should not be tolerated, whatever means may be used to that end.

(Applause from the right)

Mr Roelants du Vivier (ARC). — *(FR)* Madam President, ladies and gentlemen, 'People's Europe' has a fine ring to it, but are we talking about giving a 'human face', in the hallowed phrase, to a bureaucratic Europe or designing the Community to serve the needs of the people living on its territory? In other words, instead of taking responsibility away from the people of Europe by entrusting the great problems of the day to international bodies, should we not be looking at ways and means of enabling individuals to exercise more independence and responsibility? What is the point of encouraging Community citizens, as does Mr Brok's report, from which I am quoting here, to 'object to obstacles to the attainment of a People's Europe' if they are offered no prospect of a share in the exercise of power? Do you believe that, in the Europe of today, the people of Europe are able to identify with the community of values that certain political groups are for ever haranguing us about while doing nothing to stop the development of the Europe of transnational corporations? What, for instance, is being done to promote a Europe of peace?

We are still waiting for the introduction of obvious reforms proposed ages ago: a uniform electoral system for the European elections; the right of Community citizens to vote and stand as candidates in local elections. On this latter point, as stated in the question tabled by Mrs Fuillet and others, we are still waiting for the report that Mr Narjes promised would be submitted in 1983, although some Member States have already introduced measures along these lines. The treatment of this subject by the Adonino committee fell far short of what was required. Consequently, Mr Commissioner, we are taking you at your word and await your proposal for a directive.

But there are other reforms, such as harmonized application of Community law, which are still little more than pipe dreams. Even the Community driving licence has yet to be seen. We maintain that such measures should be taken without delay. But we want to state here that the campaign for identical electoral rights for Community citizens must not be allowed to overshadow a campaign in what I would describe as a much more important civilizing cause, the cause of electoral rights for citizens of third countries living in the Community. Although many of them have been living in one or other of the Member States for a generation, these citizens are still regarded as having no right to a say in political decision-making in most of the Member States, this despite the enormous economic contribution that they made at a time when we needed their labour and the cultural variety that they have added to our civilization. As Mrs Marinaro was stressing just now, what is at issue here is peaceful coexistence among all the people living in the Community.

People's Europe is the Europe of everyone resident in our Community, whether they were born here or have chosen to come here to live and work. That is the very meaning of the word *community*, although we are sometimes inclined to forget it.

Let us therefore not forget the correct definition, and above all let us not forget the men and women who are citizens of the Community, whether they be French or Algerian, German or Turkish, Belgian or Moroccan. We have everything to gain from living together. Is it not this that is really important, rather than all the anthems, the European flag and other artifices of neonationalist romanticism designed to obscure the real problems of People's Europe? If we Members of the European Parliament do not say this, who else is going to?

(Applause from the Left)

Mr Le Chevallier (DR). — *(FR)* Madam President, ladies and gentlemen, this debate on a People's Europe has a rather unreal air about it. You will no doubt have noted the absence of reference to fundamental problems in Mr Brok's report.

What do we find instead? As portrayed in the Brok report, the European citizen votes, watches television etc.; he is young, studies foreign languages and travels freely in Europe. On the other hand, he does not work, has no experience of unemployment, does not suffer from any illness and is advised against abusing drugs. It really is strange to find a comment, on page 17 of this report, to the effect that there should be a campaign against the abuse of drugs. We would be interested to know at what level the use of cocaine is deemed to become abuse. But the report addresses none of the great problems of the day, because the opinion which I had been asked to submit to the Committee on Social Affairs and Employment was rejected by all the groups present, including the Liberal and Gaullist groups.

All the measures proposed in my opinion, concerned with the problems of employment, demographic problems and problems connected with immigration, were rejected. Everyone is aware today that the debate on immigration is a fundamental debate, one which is being resumed currently in the electoral campaign in France, since there are 6 million foreigners in France and 20 million in Europe, 75% of them from outside the Community. It is therefore important to find solutions without delay, by closing our frontiers instead of making free movement within Europe easier, since we are only too aware that European countries, not least France, are very easily entered by immigrants from countries outside the Community. We are therefore in favour of the introduction of visas, something which is altogether different from what the previous speaker was proposing. What we are likely to have if the

Le Chevallier

brakes are not applied soon is a Europe no longer populated by Europeans but by Africans.

(Protests from the Left)

That, I imagine, is what the Rainbow Group and the Communist Group want to see. What it amounts to is the end of nationalisms and allegiance to mother countries, creating the stateless People's Europe, and we want none of that!

(Applause from the benches of the Group of the European Right)

Mr Van der Waal (NI). — (NL) Madam President, the Brok report concerns a People's Europe and elaborates on the report with the same title that was drawn up by Mr Adonnino and presented to the European Council in Milan.

Let me say straight away, Madam President, that we fully approve of much of what Mr Brok has to say in his extensive report, particularly the proposals on the harmonization of legislation, cooperation between universities, greater attention to Europe in teaching, an increase in language teaching, exchanges of students and professors and much else besides. There can hardly be any dispute over the importance of all this.

Having said this, I am sorry that this favourable opinion does not apply to all the proposals made in the report. What are we to think, for example, of the introduction of the term 'European identity', the introduction of a European flag, a European anthem and Community sports teams? To be blunt, we find these proposals extremely artificial. It seems as if outward appearances are to compensate for the inertia in the area of institutional reform. We believe the outward appearance and identifiability of Europe should keep pace with the European cooperation that actually comes about.

Another question is what is precisely meant by 'European identity'. We must realize that identity is not a piece of clothing we can put on and take off but a common intellectual tradition that evolves in the course of history. Europe owes its uniqueness to this collective past, from which the differences among the nations then evolved.

In short, Madam President, we approve the practical recommendations made in the Brok report, but in our opinion the points that are designed to act as a façade for a non-existent feeling of European unity among the citizens of the Member States can be struck from the list of recommendations.

Mr Rothley (S). — (DE) Madam President, honourable Members, first a word on the proposal for a decision mentioned by Commissioner Ripa di Meana on

abolishing border signs. He requested Parliament's opinion. Unfortunately this is just another proposal for a decision and not a proposal for a directive or regulation. Such decisions will not get us any further, as shown by the negative experience we have had in the past.

Let us take stock: the People's Europe — that was the slogan of the Fontainebleau summit in July 1984. Before the end of the first six months of 1985 the Council was to take practical measures. The result is appalling. Nothing had happened a year later when the Heads of Government met in Milan in June 1985. Nothing had happened, except for the Commission proposal for a decision on easing border controls and customs formalities.

I think that is too meagre a result. The only other thing we now have is the proposal on the recognition of higher education diplomas. I do indeed regard this as pretty important, since it states the principle of reciprocal recognition. I think it points in the right direction, which we must follow in future. The harmonization of legal provisions takes a lot of time and energy and in many cases it is unnecessary. Harmonization must be carried out where there really is a need for it, e.g. fiscal legislation. But where reciprocal recognition suffices, we should follow that road.

We will not get closer to a People's Europe by putting on seven-mile boots. On the contrary, the inability of the Council to take political decisions threatens the survival of the European Community because the inability on the part of the Council to take decisions makes the European institutions into an object of ridicule for the people and because the gulf between demand and reality will become intolerable in the long term. The people must be able to experience the Community in their everyday life; Europe must not remain nothing but a tradesmen's Europe!

To this end it is very important for us to take a step forward, with the recognition of diplomas and also in electoral law since, as has rightly been said, that is connected with civic rights and we must not deny these civic rights to our fellow-citizens.

(Applause)

Mr Ciancaglini (PPE). — (IT) Mr President, ladies and gentlemen, it is no mere coincidence that the European Parliament is today discussing this proposal for a directive, on the general recognition of diplomas in the European Community, jointly with the report on a People's Europe. The recognition of diplomas at European level is in fact an indispensable prerequisite for the implementation of the principles of freedom of movement and freedom of establishment, and it is therefore an essential, concrete part of that People's Europe that we propose to achieve. The Commission's proposal for a directive meets a specific request made

Ciancaglini

by us and contained in a motion for a resolution attached to the report of the Committee on Legal Affairs, in which we call for the establishment at European level of a general system of equivalence of educational certificates, university diplomas and professional qualifications. It is no longer possible, in fact, to rely on a system of sectoral harmonization based on a process of proceeding by categories which is too slow and too piecemeal, and which in thirty years of the Community's lifetime has with difficulty produced just twenty directives designed to discipline the practice at Community level of a few specific professions. An unrestricted, horizontal system was therefore necessary, which would avoid the excessive slowness and inflexibility of harmonizing educational systems and at the same time gave proper recognition to the value of apprenticeship and professional experience. Specially important in this connection is the introduction of a vocational training card that will make it possible for the holder to take a job which corresponds to the specific qualification. The academic recognition of intermediate and final diplomas for periods of study at universities represents a concrete source of encouragement to students to move about the Community, so facilitating the exchange of experience, and promoting an appreciable improvement in their vocational qualifications, and in real contact between Europeans. But in today's debate another aspect is involved which is just as essential for the achievement of European integration, namely recognition of the right to vote and stand in local government and European Parliamentary elections.

This Parliament has already voted on very many occasions in favour of the protection of the rights of migrant workers, and their social, political and cultural integration. The last occasion was the resolution of 9 May 1985 on Community policy in favour of migrant workers. On that occasion the European Parliament, on the question of political rights, emphasized a fair distinction between nationals of Member States, resident in other countries in the Community, who were to be accorded the right to vote at least in local government elections, and workers from countries outside the Community. Where nationals of Member States are concerned, in fact, it is the very notion of 'migrant workers' that no longer has any reason to exist, since they are citizens of the Community moving freely within the European Community. Since 1983 the European Parliament had urged that the right of nationals of other Member States to vote and stand in local government and European Parliamentary elections in their country of residence be granted, and it is inconceivable that to date no proposals on this question have yet been submitted. They are in our view two essential manifestations of civil and political participation: one, the local government vote, concerns the most immediate level of representation, the local level, whilst the second, the European vote, involves the citizens in an act of enormous political value — the election of their direct representatives in the European Parliament. Without wishing to prejudice the partici-

pation of European citizens in general elections as well, we consider that these two levels of representation constitute an irrelinquishable minimum for that People's Europe that would otherwise be devoid of the most elementary content. But such rights must be enshrined in a legal act of the Community, and that is why, given the present decision-making procedure, it is essential for the Commission to formulate proposals on the subject. Whilst we can understand the difficulties that certain countries with massive movements of migrant workers face in according such rights to workers from outside the Community, it is absolutely inconceivable that the right to vote should not be accorded to citizens who, by virtue of the Treaty, enjoy freedom of movement and establishment in the European Community. What would be the sense in these rights if the most important right of all, from the point of view of social and civil integration in all the countries of the Community, were withheld?

Mr Price (ED). — Madam President, this proposed directive is of fundamental importance, because it would open all professions in the Member States to those who have qualified in other Member States. Previous directives have dealt with only a single sector and have met with many difficulties. My group supports this directive and the horizontal approach which it employs. We think that this approach is well worth trying as a means of focusing attention on the main object: to make freedom of establishment a reality. We hope that it will be adopted swiftly by the Council.

However, there is a difference between due speed and undue haste. The Commission has moved very quickly indeed, not even sparing the time to consult with the professional bodies involved. It has also urged the Parliament to give its opinion by the end of this year. This has led to the European Parliament taking less than seven weeks from the appointment of the rapporteur to the final vote in plenary sitting. I must commend the rapporteur for having done such excellent work in such a short space of time, and I pay tribute to her work. However, I believe that Parliament should have allowed another two months for consultation with the professions, particularly because the Commission did not do so. Having been defeated on that proposal in committee, I have to accept that democratic decision. However, I must warn that we have passed on to the Council of Ministers the task of consultation. They are far too susceptible to national viewpoints, and I fear that undue haste by the Commission and Parliament may lead to undue delay at the Council stage. Members of this Parliament like myself who support the directive will now have to show the professional organizations how the problems that they raise can be overcome. It is to help in that process, and to make it more likely that the directive will be adopted speedily, that I have proposed a number of amendments.

There are five main themes in these amendments. The first is to take account of the full extent of professional

Price

training and not base everything on the higher education diploma alone. My amendments introduce the concept of the vocational qualification. This would include any theoretical training outside a higher educational establishment. It would also include practical training. Both of these form an important part of the training in some professions: The draft directive in its present form ignores them.

My second aim is to introduce a minimum degree of consumer protection. Please think about this example. A member of the public goes into the office of someone who describes himself with the title of a profession which they know can only be entered by passing examinations. The public are entitled to assume at least that some national authority, somewhere in the Community, has tested whether this man or woman does have knowledge of the subjects which he or she will need in the day-to-day practice of his profession. The draft directive makes no provision for any kind of examination or test whatsoever. My Amendment No 50 makes provision for such an examination or test only in the most extreme cases where the applicant has virtually no knowledge of the subjects which he will need. In such cases it is not sufficient to leave it to the conscience of the individuals involved to undertake adequate study during the period of supervised practice. Some objective test is required to protect the public. Otherwise, every professional practitioner with a foreign-sounding name will find himself constantly questioned about his qualifications and where he obtained them. Amendment No 50 will help to avoid this problem.

Also to protect consumers, I think that practitioners must be subject to the same disciplinary procedures as every other member of the same profession in that Member State. Amendments Nos 2 and 18, by the committee and Mr Mallet, would make them subject to the same rules but provide no means of enforcement. My Amendment No 43 does both.

The third objective of my amendments is to safeguard existing freedoms which might be jeopardized unintentionally by this directive. My Amendment No 39 would continue the present freedom, for example, to provide legal services in another Member State without having to become a member of the legal profession in that Member State. The procedures of this directive should only be necessary if someone wants to hold himself out to the public as a member of the local profession.

My fourth objective is to strengthen the directive to make sure that Member States do not slide out of their obligations. At the moment the only appeal outside the Member State concerned is to the European Court of Justice. That would be so slow and costly that most applicants would be deterred from using it. My Amendment No 55 would establish a Community tribunal made up of representatives of the professions to

provide a much speedier and less expensive way for an applicant to enforce his rights under the directive.

Finally, my fifth objective is to remove ambiguities and so avoid some of the detailed problems which could arise in administering the directive.

Madam President, I strongly support this proposed directive. It is for that reason that I have proposed these amendments to make it more effective.

(Applause from the right)

Mr Filinis (COM). — (GR) Madam President, the problems faced by migrants in the Community today, far from decreasing after twenty or more years of residence in their host countries, are becoming worse. Unemployment and xenophobia are forcing thousands of migrants into separatism. The recent racist phenomena and the resurgence of fascist ideals, whose echo we hear even in this House, create additional problems for them. The social oppression felt by migrants lead to social outbursts such as those recently seen in England, which cannot be dealt with by stricter laws as certain governments are trying to do.

We feel it is high time to begin treating migrants as equal citizens and grant them the right to vote in elections for their local governments and for the European Parliament, as well as the rights of association and assembly, to facilitate their social integration so that they cease to feel transient and foreign in their host countries.

We call upon the Commission to begin immediate negotiations with Member States that have not yet granted voting-rights to their migrants, with a view to securing such rights during 1986. We stress that any attempt to unify Europe which does not guarantee the essential democratic freedoms for all the Community's citizens will be doomed to failure.

Mr Wijsenbeek (L). — (NL) Madam President, I fully endorse the Commission's new approach. In the past, when we were still intent on harmonization, it sometimes took more than fifteen years for an agreement to be reached. A case in point was the notorious directive on architects.

Fortunately, the time is past when the quality of university graduates differed demonstrably from one Member State to another. The present approach following the *Cassis de Dijon* judgment, which Lord Cockfield also adopts in his White Paper, is the right one in most respects. Anyone who is entitled to take up an occupation in one Member State must be able to take it up in another if he wants to. The resistance that was for years attributed to the need for harmonization is now largely due to xenophobia and amounts to nothing more than a desire to protect markets,

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reminding us of the guilds in the Middle Ages. No one will want to settle in another Member State to take up an occupation for which a higher diploma of education is required unless he has a good reason for doing so. And in my opinion one good reason, Madam President, is the economic outlook in the other Member State, and I consider that to be a legitimate reason. That is an essential component of the Community's four freedoms. We cannot therefore approve any amendments, like those tabled by Mr Price, which tend to seek the reintroduction of detailed arrangements and screening.

Allow me to conclude by saying that two requirements have yet to be satisfied. Firstly, not only should diplomas be recognized, but university courses should be such, as they once were, that they can be taken and continued anywhere in the Community. Secondly, the recognition of diplomas should not be restricted to the élite, as the current proposals suggest, but become the normal and generally accepted practice for all the citizens of the Community.

(Applause)

Mr Coste-Floret (RDE). — (FR) Madam President, my colleague Mr Flanagan has stated our group's position on Mrs Fontaine's report concerning recognition of higher education diplomas.

I for my part wish to state our group's views on granting citizens of one Member State the right to vote and stand in local elections and elections to the European Parliament in another Member State where they are resident.

I trust that it will be in order for a compatriot of Descartes to draw a few distinctions. Different propositions should not be treated on the same basis. The problem of the right to vote and stand in elections to the European Parliament is very different from the problem of the right to vote and stand in local elections to town councils. Why is that? Because the role of the European Parliament is to identify options and make choices for the future of the European Community. This being the case, it is entirely logical and essential for all citizens of the Community to be able to vote where they live. With town councils, however, the position is very different. Elections at this level have a bearing on the direction taken at national level, they are an expression of opinion on the future course of national policy. Some precautions must therefore be taken. A distinction must be made between Community citizens and non-Community citizens, because the national State is founded on a cultural heritage and it is possible to consider giving voting rights to those who share the same cultural heritage, but not to others. That said, the cart should not be put before the horse as far as citizens of the Community are concerned. It is reasonable that they should eventually be given this right to vote. But at this stage, as the

Adonnino report very rightly points out, this must remain a matter over which each national State has sovereign jurisdiction. Because voting in these elections has a telling influence on national policy. This is clear. I am well aware that they are referred to as administrative elections in some countries. But in my country, France, at any rate the town councils play a part in the election of senatorial delegates and thereby in the election of senators, which means that they have a hand in determining the composition of the second House of Parliament. Moreover, as everyone knows, mayors use their influence in political elections and, finally, the media have always interpreted local elections as political elections.

We therefore call for prudence. We look to the Commission to submit its report. But we urge it, first, to give priority to the right to vote and stand in European elections over other elections and, finally, to proceed with caution, remembering that, as we say in France, *'prudence est mère de sûreté'*.

Mr Kuijpers (ARC). — (NL) Madam President, this report discusses the conditions governing access to and the pursuit of an occupation and the right to use the name given to this occupation. The European Community procrastinated for a very long time before tackling the question of the recognition of higher education diplomas. This problem has been under discussion for over a quarter of a century, and it should be noted that in this time very little progress has been made towards the mutual recognition of academic titles.

The situation is even worse where the comparability of vocational training qualifications is concerned. In this respect, the report is premature. After all, how can we discuss the conditions governing the pursuit of an occupation when there is not even recognition of the various titles? I therefore call for the compilation of a nomenclature of comparable titles. Some titles are unique to certain Member States, like the *lincientiaat* diploma in Belgium and the *doctorandus* title in the Netherlands. There is also the problem of the abbreviation of academic titles. In Belgium 'Ir', standing for 'civil engineer', is an academic title, but in Italy it stands for secondary level vocational training.

This nomenclature should be compiled by a Community organ, an international sanctioning committee, for instance. I feel the report places too much trust in the willingness of the individual Member State to remedy this situation. A Community approach would therefore be appropriate in this case.

Finally, graduates face quite a number of problems when they try to establish themselves in occupations with a social bias. In the medical sector, for example, knowledge of the language of the community concerned is obviously essential, and it must certainly be one of the requirements. Various occupational levels

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should also be recognized by society, an example being the profession of homoeopathic doctor.

Mr de Camaret (DR). — (FR) Madam President, I should like to say first of all that although this subject has recently acquired topicality, that is not how I see it, having worked on it for five years in the Council of Europe in my capacity as ambassador.

Mrs Marinaro has returned to the fray following her humiliating failure — I am thinking in particular of the amendments rejected before Parliament — by tabling an oral question on civil and political rights. In calling for Community citizens living in a Member State other than their own to be granted the right to vote in local and European elections, thus ending their exclusion from such elections, the Communists and their friends are trying to use what would initially be intra-Community measures to confront the citizens of our States with a *fait accompli* and then to take advantage of pressure from the media and well-meaning people of the Left and even some of the Right to give immigrants from outside Europe the right to vote and offer themselves as candidates. The Trojan horse method has worked before. We must expose the revolutionary step-by-step technique, which builds on an acceptable principle to progress rapidly to unacceptable measures. Similarly, it is our duty to expose the hypocrisy of those who are prepared to grant the right to vote at local and European levels, but not at national level.

The ultimate aim of these measures is to destabilize Europe and promote a surreptitious invasion which our peoples would be unable to resist.

In the name of the higher principle of the defence of Europe's identity, its values, its culture and its history, we shall oppose all moves likely to weaken, divide or threaten Europe.

That includes the proposals from Mrs Marinaro and others.

Mr Ulburghs (NI). — (NL) Madam President, Europe will not come alive in the hearts of the ordinary people until they feel it belongs to them and can do something effective about improving social and political rights. The big lobbies have always succeeded in finding the way through the European jungle that is of greatest benefit to them, but what I am talking about is the group of second-class European citizens, which is, sad to say, constantly growing: the unemployed, the miners, immigrants and consumers.

The social substructure is being demolished. The social environment is decaying. Madam President, as long ago as the twelfth century Thomas Aquinas said that a minimum of prosperity is needed before virtue can be practised. Only if European citizens know that they

are assured of adequate social facilities, can they exercise their rights. But before rights can be exercised, political and social education is essential, not just for the future élite at the universities but above all for the man in the street. Vocational training is very important. Exchanges of young people are also important. In this respect I agree with Mrs Fontaine. But particular importance must be attached in this to political and social education in living as part of the community, education that starts with specific basic problems and needs.

Rights, especially those of the weak, must also be exercised collectively. In this context, I believe it is high time Europe did something about the recognition of the right of migrants to vote, not only in Community elections but at local level as well. They are today constructing Europe economically and culturally, so why not politically?

The Marinaro report gave rise to tremendous expectations in the migrant communities in our midst. Pressure must be brought to bear on the Member States — I am thinking now of Belgium — to ensure that this right to vote can be exercised at the next local council elections, in 1988, for instance. Madam President, the Europe of the people will find its dignity when the last among us are the first.

Mrs Vayssade (S). — (FR) Madam President, I am delighted that we are having this debate today on a People's Europe. I am delighted because it is a further example, in my view, of this Parliament's political will to press ahead with the construction of Europe. But I am also delighted as a Socialist, since we know that the free movement of goods or agreements between commercial companies will not be enough to build the Community. The Community will be built by the resolve of the men and women living in Europe, by the resolve of our working people to make the Community a *de jure* entity with which they are able to identify. It will be built by the affirmation that Europe stands for human rights, that we are prepared to fight for freedom and also for openness and solidarity, that traditions of hospitality are integral to our customary ways of doing things, and that the making of Europe also owes much to the blending in of various contributions from outside which have enriched its culture. To my mind, any attitude which seeks to exclude such external contributions is not conducive to the construction of Europe but diminishes it.

I should like to stress two points. First, the Fontaine report. I welcome the rapidity with which the Commission has proposed this directive, and I am also delighted that Parliament has worked quickly. It is bringing the Council face to face with its responsibilities. I see mutual recognition of diplomas as an important step forward for the freedom of movement and the freedom of establishment. I believe that it is also a demonstration of the Member States' mutual confi-

Vayssade

dence in their own universities and that if it can one day be complemented by freedom of movement for teachers and students we shall have achieved real progress.

Secondly, I should like to say how much I support the recognition of European citizens' civil and political rights in local and, of course, European elections, and how much importance I attach to this. Our Committee on Legal Affairs had already worked on this problem, producing the Macciocchi report. I thank Mr Ripa de Meana for the commitments he gave earlier, when he said that the Commission would be making proposals and moving this dossier forward.

I should also like to say that, in my view, granting European citizens this right to vote in local elections should be the first step towards recognition of the same rights for all people living in our countries, whatever their nationality.

Mr Estgen (PPE). — (FR) Madam President, it always gives me satisfaction when this Parliament concerns itself with its own affairs, with the needs of its own citizens, rather than attempting to reform and improve the entire world. I shall therefore lose no time in congratulating Mr Brok on his systematic and useful work, and I should be delighted to see prompt implementation of the many proposals made in his report. That would represent a major step towards the unification of Europe in the cultural, social and economic fields.

The debate that we are holding today on the basis of the Brok and Fontaine reports reflects deeply felt aspirations among our citizens. We must give our citizens clear and tangible evidence of the existence of Community Europe. It is necessary for them to be able to notice, as they go about their daily lives, that something has changed, changed for the better when they cross frontiers which should be dispensed with altogether. There must be symbols — a flag, an anthem, a passport, a driving licence, a European stamp, a European currency — to bring home to them that we are really united. Only real freedom to move from country to country without having to put up with tiresome checks, to live and work in any Community country without being pestered by petty bureaucracy, will give our European citizens the feeling of belonging to the same large family.

In this connection, I am disappointed that a proper place has not been found in this report for protection of the consumer and the environment. Harmonization of safety, food hygiene and health standards and of consumers' rights in the Community would meet with a very favourable response from our peoples. Similarly, special attention should be paid to the location of large industrial or energy developments close to national borders, to ensure that due account is taken of the ecological and safety interests of people living

on either side of a border. For instance, the construction by France of a nuclear power-station at Catenom, whose towers virtually cast their shadows on Luxembourg's territory, without regard to the interests of the people of Luxembourg, is a typical example of the anti-European spirit of certain national governments.

Until now, the benefits of a real European Community have been largely unknown to those of our citizens who fall into any of three categories: students, apprentices and large families. The Commission is to be commended for its directive aimed at establishing a general system for the recognition of higher education diplomas. This is a large stride forward, after a quarter of a century of hesitancy. But how long will it be before we see the European certificate of apprenticeship, which will give recognition throughout Europe for the training and vocational skills of craftsmen and technicians, so that all obstacles to their choice of where they work will be removed?

There must also be a real Community family policy, with tax benefits for large families, provisions on parental leave, an income to cover education at home, supplementary maternity benefits, arrangements to make it easier to take part-time employment, and so on.

Lastly, I should like to draw your attention to the great responsibility borne by teachers and journalists in the development of a People's Europe, since they should be supplying young people with positive information about the European ideal. The Germans, Italians and French of the Middle Ages undoubtedly did not regard themselves as being citizens of a single nation. It is time that we emerged from the Community Middle Ages.

Ladies and gentlemen, it is laudible to enhance the well-being of European citizens, but effective action must also be taken to protect that well-being, to combat terrorism and organized crime and to create a European legal area.

One final comment: this Chamber must be the birthplace of People's Europe. It is here that the people of Europe are legitimately represented by elected Members of Parliament. It is here that European legislation should be drawn up and decided upon, not in the offices of national bureaucracies.

Mr Papapietro (COM). — (IT) Madam President, ladies and gentlemen, we agree, first of all, with the directive on a general system for the recognition of diplomas, and hence with the Fontaine resolution, for two reasons.

The first is that, finally, an attempt is being made to overcome what is one of the biggest problems in the European Community, a Community that is tending to become a great supranational entity without having

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achieved one of the most elementary requirements — the free movement of people. There is no freedom of movement without the recognition of diplomas.

The second reason has to do with the lack of comparability of diplomas, qualifications and so on, because of differences in the levels of production in Europe. The fact that after 23 years the Commission has been able to equate only a few vocational qualifications means that the disparity in Europe is such that it is difficult to equate 1 qualification from Southern Italy, or Greece, etc., with 400 industrial qualifications from Germany. There seemed to be no way out of the problem. Nevertheless, this directive, which establishes a general system and compares what is comparable, tackles things in a different way from the systematic process that would have taken decades perhaps. It therefore constitutes quite a praiseworthy way out of the problem.

With regard to the Brok report, we consider it interesting, subject to two main observations that we have already made in our amendments. I think I have only time to speak about one of these — that is to say, a certain idea that European awareness rises up above and flows down over the people. No, the process is the reverse; there can never be a great historical event unless the process of awareness starts from the bottom.

Mr Maher (L). — Madam President, citizens' rights is an exceedingly important question, particularly in connection with participation in this Parliament. In Ireland, while you are free to go forward as a candidate for this Parliament and be elected, if you are not a member of an established political party, or if you belong to a new political party, you are denied the right to use the public television and radio services. Although on the first occasion when I was elected, I got 20% of the vote, on the occasion of the last election I was refused the right to purchase time on the television and on the radio network in order to promote my candidature. I believe this is downright discrimination against an ordinary citizen. Just because I was not a member of an established political party, I was denied the right to use an important modern medium of communication.

I believe that the European Parliament should take serious notice of that. I know that Ireland has received considerable praise for the way in which it proceeds with European elections, but in that sense the Government of Ireland is extremely discriminatory in the way it directs its national television service where individuals in the State are concerned.

Mr Christensen (ARC). — (DA) Madam President, the report on a People's Europe calls for a common Community driving-licence, a common Community passport, a Community media policy and programmes about the European Community on TV. School curri-

cula and teaching materials are to make propaganda for the Community, and we are to have Community postage stamps, Community customs signs, a Community anthem and a Community flag. Community sportsmen and Community sport competitions are to be introduced, and every Community citizen is to be free to take up residence without restriction in any other Community country. Passport controls are to be abolished, policy on refugees is to be standardized and duty-free imports are to be allowed apparently without limitation. The national tax and levy systems are to be harmonized. The capital market is to be liberalized and there is to be a common currency. A common sickness insurance policy, common sickness insurance certificates and a Community health policy are to be introduced. Standards are to be harmonized in food inspection procedures.

The conclusions of the report on the recognition of higher education diplomas mean that there will no longer be any need to wait for complicated harmonizations; the lowest common denominator in educational standards will simply be the norm.

Altogether these proposals mean, for Denmark, a radical reorganization of the public sector with a revenue loss of 36 billion kroner in indirect taxation. It means the outright scrapping of the Nordic Passport Union and the introduction of harsh passport and immigration controls between Denmark and the other Nordic countries. The proposals constitute an encroachment on Denmark's policies on immigration, the media, health, the environment, foreign exchange, the capital market, consumer protection and education. There is not a trace of popular support in Denmark for any of this. The 'People's Europe' is not the Danish people's Europe.

Mr Ciccimessere (NI). — (IT) Madam President, ladies and gentlemen, it is a fallacy to hope to solve the problems that face us with what the Commissioner has called 'gadgets': the gap between the institutions of the Community and the people will certainly not be bridged by a European anthem or a European flag!

It seems to me that, in considering this question, we have all failed to analyse the structural causes of this gap, the identification of which I consider to be the crux of our debate. In my view the first cause lies in the gap existing between the citizens of Europe and their representatives who, even though they are directly elected, count for nothing because they can do nothing in this impotent Parliament.

The problem of European Union is therefore the first problem to be solved; it is the central problem of a people's Europe. Otherwise, we would only be looking for short-cuts that would lead us absolutely nowhere. How can we hope for European awareness to grow in Europe when the elector can ask nothing of the elected because the elected can do nothing in this impotent Parliament?

Cicciomessere

The second problem concerns powers and responsibilities, and it, too, is a structural problem. If Europe is going to remain the Europe of the common agricultural policy and nothing else, it is obvious that the margins for any other policy of approximation between the institutions and the people are very narrow — I would say they were non-existent. The fundamental problem is to be able to give Community responses to the real problems of the people. But these responses cannot be given — I repeat — in the absence of institutions with very precise powers, and at a time when the Community refuses to acquire precise powers and responsibilities.

And at this point I should like to raise a problem and call for an answer from the Commissioner. It is a problem that — in International Youth Year — concerns many millions of young people at a critical, crucial stage — the transition from the world of school to the world of work, that is marked by the call to military service, the problem of defence, and the problem of conscientious objection.

There are 500 000 European citizens who choose a different way of defending their country, through conscientious objection; but, alongside these, there are, for example, 8 000 citizens of one country in the European Community who are obliged to go abroad because they cannot have the benefit of this fundamental right. This problem concerns the Commission, the Council, and Europe; just like the question of civilian service — the possibility, that is, for the conscientious objector to express his different readiness to defend his country by being of service, for example, in the Third World. These problems can, and must, find an answer from the Commission.

These are examples that can serve to identify the fundamental obstacles in the way of a People's Europe which lead us to seek shortcuts with — precisely — national flags and anthems, which do nothing to tackle the real problems. I would therefore like to ask the rapporteurs, and the Commissioner in particular, what kind of answer at a general, conceptual and structural level they intend giving to these questions; and then afterwards we can also discuss the European passport, the European driving licence and any number of other useful proposals which, without these answers, could never have a place in any valid context.

Mr Amadei (S). — *(IT)* Madam President, ladies and gentlemen, the recognition of educational qualifications, and the right to vote for all citizens of the Community, are two of the subjects that bind us closest together: that is why, once more, we express our approval of the proposals put forward by the 'Adonino Committee' for the achievement of a People's Europe — proposals that constitute an essential and very praiseworthy contribution, by all our peoples, to the building of a United Europe.

We are in complete agreement with the report and motion for a resolution drawn up by Mr Brok on behalf of the Committee on Youth, Culture, Education, Information and Sport, and I would like to emphasize one of the most important points it makes, which has long had the support of our Parliament and has still, alas! not been made into a Community directive: I refer to the right to vote and stand for all citizens of the Community, whatever their country of residence at the time of the elections.

We are particularly glad that Commissioner Ripa di Meana went into this problem in great detail this morning, and we are happy to learn that the Commission is ready to put forward a directive on this matter if Parliament votes in favour by a large majority.

May I be permitted, however, to recall that Parliament already voted in favour with the Macciocchi resolution, which was the result of a motion for a resolution tabled in the previous Parliament by the Social Democrat members.

It should be possible to exercise the right to vote and stand in local government and European Parliament elections. The arguments in favour of this fundamental democratic principle have been expounded and confirmed by the overwhelming majority of our Parliament on a number of occasions, and I do not think it necessary to repeat them now. Moreover, legislative measures have already been adopted in various Member States which allow persons of different nationality to take part in elections in localities where they have lived for a certain number of years, and in whose social and economic activities they take part automatically.

What is surprising, and it is something that we strongly condemn, is the fact that these measures have not become general, in legal and legislative terms, throughout the European Community.

We insist once more on the need to resolve this problem by means of a Community directive that obliges all Member States, whatever their constitutional framework, to comply with this fundamental measure for the expansion of democracy.

It is, in reality, an obligation that forms part of the process of social and political integration of the Community, and that represents, for all our citizens, a clear demonstration of the fact that European Union is to be built up with the consolidation of new rights and real justice.

(Applause)

Mrs Peus (PPE). — *(DE)* Madam President, ladies and gentlemen, today it is very difficult even for highly qualified applicants to find a suitable job. Eight applicants with higher education diplomas apply for one

Peus

vacancy in the academic field. Naturally that gives marks and even the diplomas themselves a very relative importance.

A wide-ranging scientific survey of engineers showed that on average the share of skills not related to the job was 31.5% of the total skills. The Institut der Deutschen Wirtschaft and the Bund-Länder Kommission für Bildungsplanung und Forschungsförderung both found that qualifications and skills not related to the job itself — such as the knowledge of foreign languages, periods of residence abroad or political activity — are particularly important to recruitment and career prospects.

Even more important, however, are non-vocational qualifications of a more human kind, such as commitment, initiative, ability to work in a team, willingness to cooperate, powers of persuasion and persistence. So a successful career is not or not primarily a question of marks and diplomas but rather of human qualities and character. Further education is more important than ever today. It can even help compensate for any inadequacies in primary education.

In our view this proposal for a directive can only be regarded as a first step. The number of foreign students is very small in all the Community countries. In 1971, there were 27 foreign students to one thousand German students in the Federal Republic, and this number had still not changed in 1983. A considerable amount needs to be done here, for the main problem is lack of recognition. Integrated curricula show us how keen young people are to study abroad, provided diplomas are recognized.

That is even more true of vocational training as a whole. Vocational training experts, which means instructors and vocational researchers, already have access to a whole range of information trips and exchange programmes. For instance, the Council of Europe has been organizing individual grants for instructors since 1964, to enable them to learn the realities of industry.

It is still very difficult to live abroad during the initial training period because examination conditions have not yet been coordinated. The existing bilateral agreements should be taken as an example — for instance the agreements between the Federal Republic and France granting aid to apprentices for three or four-week stays in another country, during which the content of the teaching is very similar to that at home. Only if we make progress in this area will we see not just students and academics, who have far more opportunities anyway, but also young workers experiencing in their own lives what it could mean to feel at home in a People's Europe.

(Applause)

Mr Romeos (S). — (GR) Madam President, there are many sides to this debate on a 'People's Europe', and progress towards integration will no doubt be difficult.

I will limit myself mainly to the subject of the right to vote and stand in local government elections, where the official text speaks of migrant workers. In reality, this refers to citizens of Europe established for decades in various countries other than those of their birth. To grasp the problem, it is helpful to digress briefly into its history. Roughly 30 years ago, when Europe first began its great march towards development, it needed a workforce. Most of its workforce came from the South. The workers settled in the North, offered their labour for this truly impressive economic development, and when it was realized that this workforce consisted of human beings, any number of mostly legal difficulties were found to stand in the way of recognizing their rights, but very few prevented them from being burdened with responsibilities.

Today, we are again debating whether to grant these citizens of Europe the right to vote and stand in local government elections — in other words, to participate in the process of deciding their own fate and dealing with the problems they face in the cities in which they live and work. We are talking about the rights of about 4.5 million European citizens, many of whom have been deprived of voting-rights for decades on end. There are of course some problems, even legal ones, as certain countries claim, but above all there must be the political will to solve them. And I think that this political will should be expressed by the European Parliament today if we are to progress with granting this right to Europe's citizens. Because one of the great advantages that would bring, is that participation and cooperation by all would assist mutual understanding, the overcoming of prejudice and xenophobia, and in the final analysis, it would be a blow against any pockets of racialism still existing. This must be the first step, and I think that as a second, future step based on different criteria, we should debate and deal with the matter of voting in elections for the European Parliament.

Mr von Wogau (PPE). — (DE) Madam President, honourable Members, a moment ago Mrs Seibel-Emmerling spoke of the depressing problem of unemployment and pointed out that the People's Europe is not yet a fact. And she immediately apportioned the blame, blaming what she called the conservative governments in Europe.

I would advise Mrs Seibel-Emmerling to have a look at what is happening in France, to see how high the unemployment figure is there, or at what contribution Mr Papandreou's Greece has made to establishing a People's Europe and then beg her perhaps to sweep on her own doorstep first before making accusations against other parties in this House.

von Wogau

I want to thank Mr Brok very warmly for his outstanding report. Basically it is a cross-section through the activities of our Parliament, and it is certainly this Parliament's task to be the advocate of the citizens of Europe. It is our task to make Europe visible, and where would Europe be more visible to each individual citizen than when he crosses the internal frontiers of the European Community.

Our Parliament has managed quite a lot in past years. It is considerably easier to cross the internal frontiers of the European Community. If you cross the Europa Bridge between France and Germany by car today, you can usually cross slowly without stopping; these simplifications were implemented on the basis of the agreement between the Benelux countries, France and Germany. Duty-free allowances for travellers have been increased substantially, up to a limit of DM 750; quite a number of tiresome controls at the Community's internal frontiers have been abolished.

And yet it is clear that we have not nearly achieved what we wanted and that we have got stuck half way in some areas. Let us take one example: if you want to go by minibus from Strasbourg to Breisach, you have to stop at the frontier. The driver has to get out and present a list of passengers and then on the basis of this list each passenger is charged a minimum fee per person and per kilometer to be travelled which he must pay at the border. Sometimes all this can take up to half an hour.

Such examples show that quite a lot of rubble still needs to be cleared before we achieve what we want, a Europe with open internal frontiers. The main objection that keeps being raised against opening up the frontiers is security. We MEPs are always or sometimes being accused of in fact wanting freedom of movement within Europe for drug dealers and terrorists. But let us be clear about one thing: terrorists have hardly ever been caught at an internal frontier of the European Community — they are far too well organized for that now!

Drugs come primarily from countries outside the Community. If we could manage to protect our external frontiers, airports, ports and coasts, more effectively, that would be a major way to deal with the problem of drugs and make considerable progress.

I would like to touch on one point which shows that it really is not Europe that endangers the security of the people. For instance, what happens if a crime was committed in a frontier zone, somewhere between Germany and France, and evidence has to be forwarded from one side of the border to the other to be examined there? It can't be done! Let us take the 20 or 30 km between towns such as Mülhouse and Freiburg. The route goes *via* the Ministry of Justice in Paris, to the Foreign Ministry in Paris, to the Foreign Ministry in Bonn, to the Ministry of Justice in Bonn, to the

Ministry of Justice in Stuttgart and then at last to Freiburg — and back the same way if a reply is required.

It must be clear to everyone that this gives criminals enough time to disappear.

If at the same time as opening up the frontiers we improve the official assistance between the local authorities and the European Community and create the necessary legal bases for this, then that will be the way to create not less but more security for the citizens of the European Community.

Mr Glinne (S). — (FR) Madam President, Mr Commissioner, ladies and gentlemen, I should like to stress that the extension to nationals of European Community Member States of the right to vote and stand in local government elections is an issue on which the Socialist family has an honourable record, not only in this House but also in at least two national parliaments. On 8 April 1974 our Italian Socialist colleague Mr Minnocci put down a Bill, No 1607, Article 1 of which reads as follows: 'Citizens of any Member State of the European Economic Community who have been resident in Italy for at least five years and have attained their majority shall also be eligible to vote in communal, provincial and regional elections'.

In Belgium, it was my privilege to table and re-table a Bill on exactly the same lines on behalf of the Socialist Group in the House of Representatives, the first occasion being in 1970. After my departure from the Belgian Parliament, the same proposals were brought forward again by Socialist colleagues in the Senate, during the parliamentary term which expired recently.

These moves gave rise to a debate on the constitutionality of the Bill proposing to extend electoral rights to EEC migrants. This constitutional debate was rather negative, but I would point out in passing that, in Belgium at least, there is no verification of the constitutionality of Bills emanating either from the Government or from Members of Parliament, so that the key consideration is the political intention of the lawgiver. There was at least one government, in 1978, which incorporated the following passage in its declaration of intent:

The political integration of immigrants will be encouraged by granting them, subject to certain conditions, the right to vote in communal elections.

With your leave, Madam President, I will quote a passage from the most recent version of my Bill, No 233 of 5 July 1979, which reads as follows:

At a time when many public pronouncements are being made on the subject of European citizenship, it is necessary to move on from speeches and limited suggestions (such as the European passport) and make a commitment to substantial act-

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ion. Now that agreement has been reached on the accession of Greece and the applications of Spain and Portugal are under active consideration, the extension of the right to vote and stand in communal elections to nationals of our partners in Europe would be welcomed by a very large majority of the migrants resident in Belgium. It would also be an act of faith in political democracy, on which Western Europe can take justified pride in its record.

I went on to ask whether this would mean that migrants from third countries would be excluded indefinitely from taking part in the major events of political life. The answer is that it is both more appropriate and easier at this stage to make arrangements for European citizens, and that a different solution, subject to different conditions, could be found for other migrants at a later stage.

Madam President, I have cited two Bills brought before national parliament; I believe that today's debate should be followed up by further developments in our national parliaments.

I can assure the European Parliament that the Socialist family, for its part, will discharge its duty fully. Indeed, the Union of Socialist Parties in the European Community incorporated a statement of its intention to do so in a declaration made at a congress held recently in Madrid which is binding on all the Socialist and Social-Democratic parties in the Community.

(The proceedings were suspended at 1.05 p.m. and resumed at 3 p.m.)

IN THE CHAIR : LADY ELLES

Vice-President

3. Question-time

President. — The next item is the first part of Question-time (Doc. B 2-1173/85).

We begin with questions to the Council.

Question No 1, by Mr Fitzgerald (H-471/85):

Subject: Adoption by national authorities of measures put forward in the Council resolution of 1984 on LEIs

Local employment initiatives (LEIs) are supposed to constitute one of the main instruments for assisting the long-term unemployed.

Will the Council now state to what extent, in the light of its resolution of 7 June 1984 on local

employment initiatives, national authorities have responded to the urging to adopt appropriate legal instruments, promote the transfer of experience, make available information on existing aid arrangements and examine the possibilities for new methods of providing finance for LEIs, in particular with a view to making it easier to launch LEIs?

Mr Goebbels, President-in-Office of the Council. — (FR) Under the terms of paragraph 4, indent 3, of the resolution on local employment initiatives to which the Honourable Member refers, the Commission is invited to report periodically to the Council on progress made in the organization of the various schemes envisaged. As yet, no report has been forwarded. While respecting the Commission's independence, the Council hopes that relevant information will be forthcoming in the near future.

Mr Fitzgerald (RDE). — Is the President-in-Office not ashamed to offer a reply like that to the elected Members of this Parliament? Does it not appear as if he or the Council have little interest in what has come of these initiatives since June 1984, given that it was one of the main hopes at that stage for alleviating unemployment? Does it not prove conclusively that there is no interest by the Council in helping to reduce the numbers of the unemployed?

Mr Goebbels. — (FR) I am very sorry that my answer does not seem to be to the Honourable Member's liking. But I have to repeat that the Council is not directly involved, and that it is necessary for the Commission to provide certain information which is not yet available to us. I shall therefore pass on your suggestions to the Commission, but I should not like my answer to be thought of as avoiding the issue. I nevertheless take this opportunity to state that the financing of the initiatives to which the Honourable Member refers will be decided upon in the course of the budgetary procedure, and would draw his attention to the fact that appropriations in excess of 1.5 million ECU have been entered at Article 6401, entitled 'cooperation in the employment field', of the draft budget for 1986, as compared with 1.3 million ECU for 1985. Local employment initiatives are mentioned, *inter alia*, in the comments on this Article.

President. — Since they deal with similar subjects, I call Question No 2, by Mr Seligman (H-490/85):

Subject: Mutual diplomatic recognition between the EEC and the USSR

What progress is being made towards mutual diplomatic recognition and exchange of representatives between the Community and the USSR?

and Question No 12, by Mr Fanton (H-580/85):

President

Subject: Mr Gorbachev's visit to France

During his visit to France at the beginning of October, Mr Gorbachev stated that it would be useful to establish more constructive relations between Comecon and the EEC, and that they were ready to join with the EEC countries, to the extent that they act as a political entity, in looking for a common language on specific international problems'.

What are the Council's reactions to this statement?

Mr Goebbels, President-in-Office of the Council. — (FR) In reply to the question put by Mr Seligman, I must stress that the Community has on numerous occasions shown its readiness to normalize bilateral relations with the State-trading countries of Eastern Europe. That includes the Soviet Union which, I would remind the House, was one of the countries to which the Community sent its proposals in 1974, declaring that it was prepared to enter negotiations with a view to the conclusion of bilateral agreements, on trade among other matters, with each of the East European countries. As yet, the Soviet Government has not responded to this offer.

I would stress that this offer is still open and that the Community for its part remains available to examine ways and means of improving relations with the USSR.

With regard to relations between the Community and Comecon, this topic received full coverage when Parliament debated the Bettiza report on 23 and 24 October 1985.

This brings me to the question tabled by Mr Fanton, which refers to a matter on which I stated the Council's current position in reply to a series of questions during the House's debate on 23 and 24 October on the report to which I have just referred. I can only refer the Honourable Member to those recent statements, to which I have nothing to add for the present.

Mr Seligman (ED). — The answer of the President-in-Office of the Council is not entirely negative, and that is a good thing.

However, does he agree that something quite fresh has occurred with the arrival of Mr Gorbachev on the scene? Of course, while we cannot approve of the agitation in various countries by the Soviets, nor can we approve of the effort to divide us from America, nevertheless to have an official channel, a diplomatic channel, an avenue for discussions with Russia must be a good thing for Europe and a good thing for peace. Therefore, I feel that his vague statement that he welcomes better relations is not sufficient. I would like to see an initiative. Would the President-in-Office of the

Council affirm that he is prepared to launch an initiative to establish diplomatic relations and a proper avenue for negotiation with Russia?

Mr Goebbels. — (FR) I have just confirmed that the Community remains prepared to enter upon direct diplomatic relations with the Soviet Union, but I have also stressed that our offer has not yet received any direct response from the country concerned.

This improvement in the world climate is naturally welcomed by the European Community and European political cooperation, and we all hope that the forthcoming meeting between President Reagan and General Secretary Gorbachev will make for a better climate of understanding in the world. For the time being, however, I do not anticipate any particular initiative from the Community in this sphere.

President. — Before proceeding with supplementaries on this question, I am sure the House would like me to welcome most warmly the Foreign Secretary of the United Kingdom of Great Britain and Northern Ireland, Sir Geoffrey Howe.

(Applause)

Mr Habsburg (PPE). — (FR) Mr President-in-Office of the Council, I should like to ask you whether your very clear answer to Mr Seligman implies the Council's recognition of the principle which we supported in the Bettiza report, the principle of saying yes to bilateral relations, but certainly not to multilateral relations with Comecon, which is not comparable either legally or economically with our Community, so that there can be no direct relations between the two.

Mr Goebbels. — (FR) The Honourable Member would seem to have short-circuited my answers somewhat, putting the options in rather oversimplified terms. We are keen to have direct relations with the Soviet Union and we are also prepared, as the Community, for there to be direct relations between the European Community and Comecon. But, of course, we do not want such relations between the Community and Comecon to be an obstacle to the establishment of direct relations between the Community and one or other member state of Comecon.

Mr Alavanos (COM). — (GR) I agree with the question by my colleague Mr Seligman, but disagree with the view put forward by the President-in-Office of the Council of Ministers, that there has been no reaction on the part of the Soviet Union to the Community's offers. I would like to remind you of Mr Gorbachev's speech to the French National Assembly, in which he proposed a series of fields for common action between his country and both Comecon and the EEC.

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I would therefore like to ask: To what extent is the Council of Ministers disposed to facilitate contact with the Soviet Union and Comecon as a whole, by not imposing prior conditions that impede such contacts, for example the familiar condition that while the Socialist countries may generally maintain commercial and other contacts with the EEC, the EEC does not recognize the possibility of commercial contacts through Comecon?

I would like to ask him not so much about his own views on the matter, but to what extent Council would be disposed to adopt a more flexible strategy to facilitate this cooperation.

Mr Goebbels. — (FR) It seems to me that the European Community has shown great flexibility towards the Comecon countries in general and the Soviet Union in particular. I have already mentioned the offer made by the Council as long ago as 1974 to conclude trade agreements with each of the State-trading countries. That offer was ignored, although Comecon made a counter-offer in September 1974. Protracted negotiations ensued, from 1975 to 1981, but without leading to the conclusion of any agreement, largely because it was impossible for the Community to agree to Comecon's two main stipulations calling for the inclusion of commercial clauses and the setting-up of a joint committee which would have implied priority status for the EEC-Comecon agreement over the bilateral agreements with the other member countries. It is no secret that the negotiations were held back by the slow-down in the process of *détente*, for which the invasion of Afghanistan and the proclamation of martial law in Poland were largely responsible.

By way of conclusion, I should like to refer you to the comments made by Mr Commissioner De Clercq a few weeks ago on the Bettiza report. Mr De Clercq was very precise. If necessary, I could read out his conclusions for you.

Mr Welsh (ED). — Would the President-in-Office confirm that if relations with Comecon are to proceed, it must be on the basis of an explicit acknowledgement by the Soviet Union, in particular, of the autonomous status of the Community and, in particular, the Commission's authority to negotiate on behalf of all the Member States in trade matters under Article 112 of the Treaty of Rome?

Mr Goebbels. — (FR) My answer is very straightforward: yes.

Mr Hindley (S). — Would the President-in-Office agree with me that there are inherent dangers in the line taken by the common market of entering into bilateral agreements with individual Comecon countries in the sense that these bilateral agreements could

be misinterpreted by the Soviet Union as an attempt to prise loose from the Soviet Union some of the other Comecon states? Would he not further agree that the chances of this misunderstanding coming about are indeed strengthened and not without foundation because that is precisely the intention of the right wing within this Parliament?

Mr Goebbels. — (FR) I have to admit that I am not sure that I understand the concern expressed by the Honourable Member. It seems clear to me that the European Community should have direct relations with the Comecon countries. But it seems equally clear that it should have the right to engage in direct relations with any individual member country of Comecon. I have had personal contact with quite a number of representatives of the governments concerned and have consistently found that some of these governments will never be prepared to forgo their right to maintain direct relations with the European Community, whether or not that is to the liking of the Soviet Union. I cannot accept that the Soviet Union has a more important role within Comecon than the other States. At least I hope, for Comecon's sake, that all member countries of Comecon have equal rights.

President. — Question No 3, by Mr Anastassopoulos (H-529/85):

Subject: Swiss tolls for foreign goods-vehicles

What action does the Commission intend to take to prevent a new Swiss toll for foreign goods-vehicles from prompting retaliatory fiscal measures that could seriously disrupt international goods traffic and to ensure that the principle of reciprocal exemption from duties and tolls in this area is complied with?

Mr Goebbels, President-in-Office of the Council. — (FR) The Honourable Member's question is unfortunately not very clear. He refers, and I quote, to 'a new Swiss toll for foreign goods-vehicles'. The Council has no knowledge of a new toll introduced by the Swiss authorities. However, the Council could supply you with information on the toll introduced by Switzerland with effect from 1st January this year.

Mr Anastassopoulos (PPE). — (GR) I would like to ask the President-in-Office how it can be that Council is unaware of the new supplementary tolls decided by Switzerland on 12 September? Two months have passed since then, and the tolls have already been imposed on countries such as Spain and Eastern Germany, one of which is about to become a Member of the European Community from 1 January 1986. And I ask: How is it possible for the Council of Ministers to be unaware of these supplementary tolls?

How can Council accept that talks have been going on with Switzerland for seven years without getting any-

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where, and not react, nor ask the Commission for a detailed report, or at least direct it to pursue negotiations or submit proposals for countermeasures?

Mr Goebbels. — (FR) The Honourable Member has just demonstrated that the Council is not omniscient. At all events, the Council's staff know nothing of this new toll and even the Commission does not seem to be aware of this recent development of which the Honourable Member has told us. I am therefore in no position to give you an answer on this new toll.

I can say to you that if Switzerland did indeed decide to introduce this additional toll on certain foreign vehicles, the Swiss Confederation should be aware that it will attract retaliatory measures from other European Member States. My own personal view is that such an escalation would be in the interests of nobody.

President. — In view of that reply, could I request the President-in-Office, should he get further information, to give a reply to Mr Anastassopoulos in writing so that he is informed of the current situation?

Mr Goebbels. — (FR) I should of course be pleased to oblige Parliament by trying to find out more about this new toll and sending you a supplementary answer in writing.

President. — As the author is not present, Question No 4 will be answered in writing.¹

Question No 5, by Mr Ephremidis (H-570/85):

Subject: Greek five-year programme

In view of the fact that the financing of the Greek Government five-year development programme has been included in the IMP 'package', would the Council state why the relevant column of the 1986 preliminary draft budget contains a dash, indicating that no appropriations have been allocated?

Mr Goebbels, President-in-Office of the Council. — (FR) In the absence of any appropriate legislative basis, the draft budget contains no specific appropriations for programmes under the Greek five year plan.

The regulation concerning integrated Mediterranean programmes does not constitute a legislative basis for entry in the budget of specific appropriations for programmes under the Greek five year plan.

Mr Ephremidis (COM). — (GR) I think the answer by the President-in-Office is peculiar, because he must

know — and I am sure the House remembers — that when we were debating the budget last year, Parliament, despite the budgetary pressures it was under at the time, approved 60 million ECU for the five-year programme submitted by the Greek Government. The reason he invokes today should have applied just as much at that time. So why did we approve the 60 million ECU on that occasion when today there is just a dash — in other words, nothing at all? What has happened in the meantime? Quite simply, what has happened is that Greece's economic situation has deteriorated a great deal, and that is an added reason why this year's line for the Greek five-year programme should not only not contain a dash, not only contain 60 million ECU, but indeed something more than that. This is the point of my supplementary question, and I ask the Minister to leave aside the matter of the lack of a legal basis. Whether or not such a basis existed should have been known at that time, and will he tell us what Council proposes to do about it?

Mr Goebbels. — (FR) I do not accept that I have employed a fallacious argument. The fact is that we have no appropriate legal basis.

At the same time, I would stress that the draft budget for 1986 is still under negotiation, that it has yet — regrettably, I would venture to say — to be finalized. It is true that the budget line corresponding to measures taken under a programme aimed at the development and restructuring of the economy of a Mediterranean country, namely line 552 of the preliminary draft budget for 1986, does not feature in the draft budget, but line 551 shows payment appropriations of 85 million ECU and commitment appropriations of 230 million ECU, and these sums, I am sure, will benefit the economies of the Mediterranean countries in the Community, and that will naturally include Greece.

Mr Welsh (ED). — Would the President-in-Office consider that he might find it rather easier to convince his colleagues in the Council to expedite these measures for Greece if the PASOK Government showed a little more readiness to honour the obligations it entered into when it acceded to the Community, particularly in the form of opening its borders and not discriminating against Community trade, aligning its taxation system on the VAT and not shutting off its currency movements from the rest of us?

Mr Goebbels. — (FR) I note these comments. I would point out that this question was unrelated to the original question.

Mr Alavanos (COM). — (GR) I agree with the President-in-Office that there is no legal basis for the five-year programme, and my question is why such a legal basis is still lacking after so many years of negotiations

¹ See annex to Question-time.

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on the Greek memorandum, when it was accepted from the start by the Community that it should contribute to the financing of the five-year development programme, which is now nearing its end. Why does the President-in-Office include the five-year programme with the IMP's when they are completely different things? Finally, as with Spain and Portugal — which has been deplored by the House as a whole — why are Council and the Commission, as it were, sliding out of their obligations in this way?

Mr Goebbels. — (FR) I think that I have already explained that the integrated Mediterranean programmes do not represent the Community's response to the programmes in the Greek five year plan.

Nevertheless, the Commission does consider that the integrated Mediterranean programmes should also provide a framework in which it will be possible to respond to the requests made in the Greek memorandum.

It is normal in the circumstances that the Commission should not be making separate arrangements to cover these programmes in the Greek five year plan, especially since the IMPs have only recently been launched.

Mr Christodoulou (PPE). — (GR) I would like to stress to the President-in-Office that we are now confusing two completely separate matters, and put the question to him: since he himself admits that the IMP's are quite unrelated to Greece's five-year programme, because they concern totally different activities, how does he explain the fact that the Greek Government has for three years been declaring officially to the Greek people that the five-year programme, which comes to an end in a year and a half, is to be financed by the Community, when nothing has in fact happened in that area? Moreover, not only is there no regulation on the subject, but I gather there is not even any intention along those lines. I think that the Council of Ministers should make itself clear to the Greek people in this connection, regarding which it awaits some kind of response so that it will no longer be deceived by the Greek Government's declarations, and no longer expect from the Community things that will never happen.

I therefore ask the President-in-Office whether Council intends to do anything about this, or not.

Mr Goebbels. — (FR) I feel that the Honourable Member intends these accusations to be heard by public opinion in Greece rather than by the Council, and I have no wish to comment here on a debate concerned with domestic policy.

President. — Question No 6, by Mr Alavanos (H-573/85).

Subject: Articles 108-109 of the EEC Treaty

It is expected that, when the transitional arrangements provided for in the Act of Accession of Greece to the Community expire (on 1 January 1986), this will lead to a further serious deterioration in Greece's balance-of-payments deficit — which is already considerable — affecting production, employment and the entire Greek economy.

In view of this state of affairs, is the Council considering taking urgent measures to put Articles 108-109 of the EEC Treaty into operation so as to limit imports and block the removal of controls on capital, etc.?

Mr Goebbels, President-in-Office of the Council. — (FR) On 11 October 1985 the Greek Government adopted a programme for the recovery of the Greek economy, in parallel with which it took a series of protective measures under Article 109 of the EEC Treaty.

The Commission examined the programme for the recovery of the Greek economy and, on 30 October last, forwarded its recommendations to the Greek Government, pursuant to Article 108, paragraph 1. In addition, the Commission expressed the opinion that the granting of mutual assistance under Article 108, paragraph 2, of the Treaty establishing the EEC was justified in order to secure a lasting recovery in the Greek balance of payments and a return to full participation in Community trade. The Commission stated that it was its intention, having consulted the Monetary Committee, to make a recommendation along these lines to the Council on 13 November, which is today.

Finally, with regard to the protective measures affecting trade and movements of capital taken by the Greek Government, the Commission, in consultation with the Greek Government, is at present carrying out a thorough examination of these measures which it expects to complete by 15 November.

The Council for its part will be meeting this coming 18 November, when it will be informed of all the initiatives taken in the meantime by the Commission. At this meeting the Council will be making a thorough examination of the Greek measures and taking any decisions called for.

Mr Alavanos (COM). — (GR) I thank the President-in-Office for his fairly lengthy answer to my question. As a supplementary and somewhat more specific question, I would like to ask, in connection with the deliberations that have already commenced in Council on matters relating to the Greek economy and the Greek Government's proposals, whether Council takes a positive view of the granting of a Community loan, and subject to what conditions? What information does he have about this, and is Council disposed

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to accept a postponement of the implementation of the Treaty of Accession's conditions for the removal of controls on capital, following the lapse of the transitional period?

Mr Goebbels. — (FR) I cannot give you an answer on the possibility of a Community loan, because I would be prejudging the Council's decision, which I cannot of course do here.

I just wish to confirm once again that the Commission has sent the Council a communication in which it sets out its intended course of action, namely 'to forward to the Greek Government, by 1st November 1985, its recommendations pursuant to Article 108, paragraph 1, of the Treaty with regard to the programme for the recovery of the Greek economy; to submit to the Council, on 13 November 1985, a recommendation on the possible granting of mutual assistance under Article 108, paragraph 2; to make a detailed examination of the Community arrangements to be made under Article 108, paragraph 2, in relation to the various protective measures affecting both trade and capital movements'.

The Commission, as I have said, expects to complete this examination by 15 November; it will then proceed, with the Greek Government, to finalization of the transitional measures in areas where there are still difficulties, notably in connection with application of VAT, oil distribution and aid to exports.

Mr Welsh (ED). — Would the President-in-Office not agree that it would be more normal to consult the colleagues before invoking Article 109 and not afterwards, and can he confirm that the Greek Government did indeed consult the Council and indeed the Commission before invoking that particular article?

Mr Goebbels. — (FR) I am not here to comment on the actions of the Greek Government, and therefore do not see how I could answer the Honourable Member's question.

Mr Cryer (S). — Would the Minister confirm that Greece is not being treated uniquely and that any Member State's government that attempted to impose trade controls on imports or sought to prevent the movement of capital by intervening in some way or another would be subject to the scrutiny of the Commission, that the powers of the Treaty would be invoked, and that between them and the Council of Ministers they could bring such actions by a democratically-elected government to an end by using their powers under the Treaty of Rome?

Mr Goebbels. — (FR) The Council, like the Commission, always acts in conformity with the Treaties to

which we have subscribed. These treaties apply to every Member State, attributing both rights and obligations to it. This is true of Greece, it is true of every country in the Community.

Mr Ephremidis (COM). — (GR) The President-in-Office said that before the Greek Government takes the final steps, recommendations were made by both the Commission and Council. He then added that these measures are being examined in depth before Council adopts any particular attitude.

I would like to ask: Could this examination result in the Greek Government's having to amend the measures it has taken, or take additional ones? And in that case what is the legal basis which Council would invoke to impose the amendment of those measures or the addition of new ones?

Mr Goebbels. — (FR) At its meeting of 28 October last, the Ecofin Council held an initial exchange of views on the measures taken by the Greek Government on 11 October 1985. On that occasion the Greek Minister, Mr Simitis, presented the programme for the recovery of the Greek economy adopted by his Government in parallel with the devaluation of the drachma, giving details of the various measures planned for this purpose.

I have just stated on two occasions that the Commission and then the Council will be examining this Greek programme and that we shall be having discussions with our Greek partner on the measures which will be required in the circumstances.

President. — Question No 7, by Mr Barrett (H-439/85):

Subject: Community policy on tourism

In the conclusions to the initial guidelines for a Community policy on tourism,¹ it is stated that some of the work to further tourism depends principally on initiatives by the Member States and that it is up to them to present tourist projects which qualify for Community support from the Regional, Social or Agricultural Funds.

Will the Council indicate to what extent Member States, including Ireland, have expressed their interest in the initial tourism guidelines and are actively presenting suitable projects for EEC aid?

Mr Goebbels, President-in-Office of the Council. — (FR) All the Member States have shown interest in the initial guidelines on tourism submitted to them by the Commission, so much so that, on 10 April 1984, the

¹ OJ No C 115, of 30 April 1984.

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Council adopted a resolution on tourism policy in which it referred to these guidelines and invited the Commission to submit concrete proposals to it.

As for the presentation by Member States of projects qualifying for Community support, the Council is not responsible for the administration of the Regional, Social and Agricultural Funds and is therefore not in a position to supply the Honourable Member with the information requested.

Mr Barrett (RDE). — Does the Council accept its economic expert's forecasts or opinions that by the year 2 000 tourism will be the biggest industry in the world? If so, does the President-in-Office not agree that a tourism policy for the Community should be given greater priority than it seems to be given now? Furthermore, does the Council agree that this is the one field where jobs can be created more quickly than in any other field within this Community and more particularly jobs for the young people who are unemployed in the Community? Could I have the assurance of the President-in-Office that the Council is treating tourism, the creation of jobs and the formulation of a tourism policy with the priority it deserves?

Mr Goebbels. — (FR) This takes us back to a discussion which we had in this Chamber on 23 October last. On that occasion Mr Barrett asked me virtually the same question and I was able to assure him that the Council — and I think that I can also speak for the Commission on this — is fully conscious of the importance of tourism to the economies of Europe and the world. I also stated at the time that there are currently some 4 million people in the European Community who derive their livelihood directly from tourism.

Today I am in a position to give the Honourable Member some further figures. It has been estimated that the total worldwide turnover of tourism in 1984 was 100 billion dollars, an increase of almost 4% over 1983. According to the World Tourism Organization about 57% of this turnover was realized in Europe itself, which thus took the lion's share, while the American continent accounted for only 24% of this total turnover.

A similar pattern is reflected in tourist movements. It has been estimated that the number of journeys made in Europe during 1984 was some 204 million, while the number in America was only 53 million. These figures bring out the importance of tourism to the world economy and therefore to the European economy. But they also demonstrate that Europe, and especially the Europe of Twelve, which currently accounts for about 34% of world tourism, is already faring quite well as matters stand at present.

Mr McMillan-Scott (ED). — The President-in-Office will recall that I joined in the discussion on tourism

at the last part session. He referred to figures produced by the World Tourism Organization, and I would like him to know that I was speaking to that organization last week. The statistics that it produces are subject to some doubt, as it itself admits. For example, there are 40 million visiting Spain each year, of whom only 1½ million register in hotels. I use this point to illustrate the desperate need for the Community to begin to study tourism in some depth. I therefore ask the President-in-Office of the Council whether, when the budget comes before him again after going through this House, he will be prepared to support the amendment in the name of Mr Christodoulou, Mr Anastassopoulos, Mrs Ewing and others calling for the expenditure of 340 000 units of account for statistical research within the European Community into tourism.

Mr Goebbels. — (FR) I am naturally not in a position now to enter into the details of the budget discussions which we have yet to hold with this Parliament. I think that I have given full weight to the importance of tourism to the European economy, having already stressed, in reply to the Honourable Member's question on 23 October last, that the Council does indeed consider it necessary for the Commission to submit proposals to it without delay.

As soon as it has had an opportunity to study the Commission's proposals, the Council will have to draw the appropriate conclusions and make provision, as necessary, for financing in the future.

Mr Adam (S). — Would the Council agree that it would be helpful to the promotion of tourism in the Community and certainly be easier for all the Member States, including Ireland, if there were a single Community tourism fund with a single set of rules? Would the Council respond positively to such proposals?

Mr Goebbels. — (FR) The measure proposed by the Honourable Member is among those under consideration. I am reluctant at this stage to anticipate the Council's discussions on such proposals as the Commission might bring forward since, as I have just said, we have not yet received any proposals. I can only repeat that if the Commission submits relevant proposals to the Council, it will not fail to instigate a debate on these very important matters. The Ministers for Tourism of the European Community will then have to consider all aspects of the dossier, not just this possibility of setting up a tourism fund.

Mr McMillan-Scott (ED). — A point of information for the House, Madam President. The Youth Committee is this week issuing a letter of censure to the Commission on its failure to produce that document on tourism, and I thought the House ought to know that.

President. — That, of course, was neither a point of order nor a supplementary question. However, tourism always provokes a certain amount of originality.

(Laughter)

Mr McCartin (PPE). — Does the President-in-Office not think it is entirely futile to discuss this subject, since the Council of Ministers reduced the proposals made by the Commission for spending under every heading by which tourism might be aided? Could he explain why the Council asks the Commission to make proposals when it is quite obvious that the Council has no intention whatever of financing any proposals made? In the absence of such a will does the President-in-Office believe that it might be a good idea to transfer from national governments to the European Community — even if we cannot increase taxation — certain funds that might be more appropriately and more fruitfully spent through the institutions of this Community?

Mr Goebbels. — *(FR)* First of all I must reaffirm that the administration of funds is the responsibility of the Commission. Once again, therefore, the Honourable Member's question should be addressed to the Commission, and I must also repeat that, as far as budgetary matters are concerned, the procedure is still in progress. The final shape of the budget for 1986 has yet to be determined, and that is something which I have no wish to prejudge here. If the Honourable Member is asking me why the Council has not seen fit to enter appropriations for a Community-wide policy on tourism, I would be inclined to answer him with a question: appropriations for what purpose? The Commission has not yet submitted an action programme to the Council, which cannot make provisions for appropriations until such time as an action programme is brought before it.

President. — As the author is not present, Question No 8 will be answered in writing.¹

Question No 9, by Mr Rogalla (H-534/85):

Subject: Implementation of agreements on simplified customs formalities between France, Germany and the Benelux countries.

How does the Council monitor the operation of the above-mentioned agreement for the benefit of the citizens of the Community and what recognizable simplifications have been made in customs formalities? Can the attempt to simplify procedures be regarded as a success and, if so, in what respect — e.g., from the viewpoint of ordinary citizens in the Community?

Mr Goebbels, President-in-Office of the Council. — *(FR)* The Council regards the agreement concluded by France, Germany and Benelux on the simplification of checks at border crossings as a major contribution to the object of eliminating frontiers within the Community.

The Community is being kept informed by the contracting parties of the progress that they are making in the work that they have undertaken. However, monitoring of the operation of these agreements is the exclusive preserve of the national authorities of the States concerned.

Mr Rogalla (S). — *(DE)* I regard it as significant that we are talking about this subject today, on the day of the debate on a People's Europe. May I ask the Luxembourg Foreign Minister to be so kind as to report, in his capacity of participant in these bilateral agreements, on what has happened and also to state how he thinks this will affect the work connected with the Commission's January 1985 proposal for a decision in this field.

Mr Goebbels. — *(FR)* I am delighted to be able to accommodate Mr Rogalla, who was present at the signing of the Schengen agreement, which — if I may give myself a little pat on the back — was concluded under my chairmanship. The agreement between the governments concerned, which was signed on 14 June last in Schengen, is aimed at the gradual elimination of controls at their common frontiers.

In the case of the Netherlands, signature of the agreement was subject to parliamentary approval. For this reason the agreement came into force between the contracting parties on a *de facto* basis, with effect from 15 June 1985. Once parliamentary approval has been obtained in the Netherlands, the agreement will come into force 30 days after the lodging of the last instrument of ratification or approval. In the Netherlands, parliamentary approval could come through by next January. A Bill is currently under consideration by the Council of State in The Hague.

How are the measures introduced on 15 June last now operating? In the case of visual checks on private vehicles displaying the famous green disc, the experts from the five countries have generally found that this measure has made for a smoother flow of traffic.

However, there is some room for criticism. Only 20% of motorists use the green disc, so that more publicity for this scheme would be desirable.

There is a very wide range of interpretation of what is an appropriate reduction in speed on crossing frontiers. There will perhaps have to be a specific recommendation for a speed suitable for visual checks.

¹ See annex to Question-time.

Goebbels

Attention has also been drawn to other practical problems, such as a lack of clear signposting and the need to provide a second traffic lane.

In the final analysis, the five countries intend to retain the system.

The strengthened cooperation between police forces to combat drug trafficking is working well and the specialized services consider that this cooperation, which had in any event already been operating for a long time, has not been notably improved or enhanced since the signature of the Schengen agreement.

In the case of goods-vehicles, the necessary instructions have been given to all the national services on the abolition of systematic checks on driving hours and rest periods, and the sizes, weights and technical conditions of vehicles. Apart from a few exceptions, which seem justified by the need to regulate driving hours and rest periods, especially in view of the size of France and Germany, the system is working efficiently.

I can provide the following details about the measures which are due to come into effect on 1 January next, primarily the combined checks which will mean a single stop instead of two at police and customs. Between the Federal Republic of Germany and the Benelux countries, combined checks have already been introduced. Between France and Belgium, it appears that the two countries are not in the same state of readiness. To the best of my knowledge, the French are prepared to comply directly with the measures required under the agreement. Between Luxembourg and France, the one outstanding problem is at the Dudelange crossing-point, where only customs checks are carried out. The problem of combined checks here will be settled by 1 January next at the latest.

In short, some preparatory work remains to be carried out, and in particular a detailed stock-taking of the situation at each frontier is required.

As far as the experts are concerned, there do not seem to be any insurmountable problems.

In the case of commercial passenger transport by road, the simplification of formalities called for in Article 4 is giving rise to a number of difficulties in connection with interpretation of the existing forms of control. A specialized working party is currently working on this.

In the case of rail transport, an agreement on technical checks on goods wagons at frontier crossings has been concluded between the five railway boards so that stops at frontiers for the purposes of technical checks can be dispensed with.

Turning now to road haulage and the subject of so-called time permits and visual checks, this is a very complex problem, analysis of which has thus far

yielded only very broad conclusions. The delegations are prepared in principle to limit controls on vehicles covered by time permits to spot checks as from 1 January 1986. Under an agreement in principle, green discs can be used on an optional basis. On the subject of replacement of the trip permit by a time permit, the delegations consider it appropriate to retain both systems for a certain period.

Mr Cryer (S). — The ease of travel of people, which is important, must be balanced against the difficulties, and these include, for example, the control of diseases like rabies, the welfare of animals in transit — many millions are concerned that animals in transit have been shown by the British RSPCA to be subject to excessive cruelty — and, of course, the transit of drugs. There has been an increase in the use of both hard and soft drugs.

Could the Minister say briefly how these problems are reconciled with the answer he has just given?

Mr Goebbels. — (FR) Certainly, the abolition of all frontiers within the European Community is undoubtedly going to give rise to many problems: health problems, such as those to which the Honourable Member has referred, problems connected with criminal activities, and problems connected with drugs. This is why the Member States of the European Community are making only very slow progress in this area, much to my regret, I would add.

Nevertheless, I think that I can say that the agreement signed in Schengen last June will no doubt give a lead to the other Member States of the European Community, and the results or rather the experience gained in operating this agreement will surely enable other Member States to introduce measures on the same lines as those adopted in Schengen last June.

Mr Cornelissen (PPE). — (NL) I do not want to quantify the optimism of the President-in-Office of the Council overly, but I have received quite a number of letters saying that the 'green disc' has been far from successful. One letter I have had from someone living in Luxembourg says that the delays and checks at the frontier never took so long before she started displaying the 'green disc' in her car.

My question to the Minister is this: does he not agree that the 'green disc' can only succeed if there is also a penalty for its abuse and also if cars displaying it can use a separate lane to cross frontiers? And as we all feel it is high time we started constructing Europe, I should like to ask the Minister when it can be so arranged that people on the Brussels-Strasbourg-Basle train do not have to leave their soup and the restaurant car for passport control formalities at the frontier between Luxembourg and France? When will the

Cornelissen

Minister see to it that this — in my view — medieval practice is stopped?

Mr Goebbels. — (FR) I do not think that I have been unduly optimistic, but I nevertheless fully agree that there are still quite a few problems in our Community and that the Schengen agreement did not solve them all. In my reply to Mr Roggalla's supplementary, I did point out, for instance, that the second traffic lane at crossing-points is indeed necessary to enable motorists displaying the green disc to pass through more easily.

But there will always be formalities until such time as we have the courage to abolish frontiers within the Community once and for all. I realize that many Member States are unfortunately not yet ready, for a variety of reasons, to agree to the complete abolition of all checks at frontiers, and I understand why this should be so. As long as this situation continues, we are always going to have individual cases of people having to submit to checks which will sometimes be vexatious.

Mr Raftery (PPE). — Is it not true that most drug-hauls are not the work of customs officers but of the police as a result of information passed on from one country to another? If so, the checks at borders are not as important as some people might think.

Secondly, is it not true that only Britain and Ireland are free of rabies? Since these are island nations, the problem of catching dogs in transit would not seem to be as big a one as some people seem to imagine.

Mr Goebbels. — (FR) I am inclined to agree with the Honourable Member, but rabies does present a problem and it is normal that Britain and Ireland should take steps to protect themselves against this disease.

There is also a problem with drugs. I quite agree with the Honourable Member that it is precise information given by police officers responsible for combating this traffic which leads to the arrest of most drug smugglers. Nevertheless, many States consider that they cannot for the time being abolish all controls at their frontiers. Various reasons are given by way of explanation for this at European Community meetings, not least the problems of terrorism and organized crime. For my own part, I am inclined to the view that the United States, where the same problems arise as in the European Community, is generally no worse off for having no frontiers between States.

President. — We now come to questions to the Foreign Ministers.

Question No 29, by Mr Pranchère (H-517/85):

Subject: Arbitrary administrative detentions in the occupied territories

Do the Foreign Ministers know how many people are being held in unlimited administrative detention in the territories occupied by Israel, and have they taken any action to obtain the liberation of these detainees?

Mr Goebbels, President-in-Office of the Foreign Ministers. — (FR) Respect for human rights and the basic freedoms in all countries is of constant concern to the Ten. In this context, the situation in the territories occupied by Israel is examined regularly in the course of European political cooperation. The Ten have not failed and will not fail in future to raise these matters, including the problem raised by the Honourable Member, in their contacts with the Israeli authorities.

Mr Pranchère (COM). — (FR) I note the Minister's statement, but even so I have to say that I am not wholly satisfied, because I represent a country whose history has been marked by the storming of the Bastille by the French people, the Bastille where people were put under lock and key at the whim of the ruling class. I have asked how many people are being held in administrative detention in the territories occupied by Israel, and I imagine that you are not unaware, Minister, that the number is very large and that there are many people who are being deprived of all rights, of all prospects, even the prospect of being brought to trial. These people are therefore being subjected to totally arbitrary detention.

I would like to make two points: first, I expected that you would at least give an answer to this question; secondly, I feel that more than a purely formal answer is called for. Forgive my bluntness, but I consider this to be a very important task for the European Community and for the Council of Foreign Ministers.

I would once again ask for your opinion on this subject.

Mr Goebbels. — (FR) Unfortunately, the Foreign Ministers meeting in political cooperation have no means of counting the number of Palestinians detained by Israel. According to Israeli sources, 70 Palestinians were arrested following the reintroduction of administrative detention, from July to mid-September 1985. That is the most recent figure that I have available.

It is not the usual practice in political cooperation to comment on individual cases in connection with the occupied territories. The Ten are concerned to facilitate progress in the peace process and prefer to adopt a general approach to the situation in the occupied territories. Moreover, they have publicly stated their position in this regard on numerous occasions, affirming that it is necessary to take account of the legitimate rights of the Palestinian people, especially their right to self-determination, with everything that this implies.

Goebbels

We have affirmed on numerous occasions that Israel must comply with Security Council Resolutions 242 and 338 by withdrawing from the territory that it has occupied since the 1967 conflict.

President. — Question No 30, by Mr Iversen (H-551/85):

Subject: Release of political prisoners on the Comoros

Have the Foreign Ministers discussed the report by the French lawyer, Mr Thierry Fagar, on the situation of political prisoners and their families on the Comoros based on his visit there in May 1985? Do the Foreign Ministers dissociate themselves from infringements of human rights on the Comoros? If so, will the Foreign Ministers ask the President of the Comoros, Mr Ahmed Abdallah Abderemane, to make legal assistance available to the political prisoners for their forthcoming trial?

Mr Goebbels, President-in-Office of the Foreign Ministers. — (FR) The Ten pay the closest attention to the respect of human rights and basic freedoms. However, the report by Mr Thierry Fagar to which the Honourable Member refers has not been examined by the Foreign Ministers meeting in European political cooperation.

Mr Iversen (COM). — (DA) As I understood the answer, the Foreign Ministers regard the question of human rights as one of the utmost importance. I should therefore like to ask: if these matters were discussed, should they not have condemned the violations of human rights taking place in the Comoros?

Mr Goebbels. — (FR) The Foreign Ministers meeting in political cooperation take all issues having a bearing on basic freedoms and the defence of human rights very seriously.

However, the Council of Ministers cannot be expected to analyse every single report, wherever it may be published in the world, and, as I have stated, the report mentioned by the Honourable Member has unfortunately not yet come to the attention of the Foreign Ministers.

President. — Question No 31, by Mr Alavanos (H-572/85):

Subject: EEC-Comecon relations

In his address to the French National Assembly and Senate, the General Secretary of the Soviet Union Communist Party stated, *inter alia*, that: 'Insofar as the EEC countries appear as a 'political unit', we are prepared to discuss specific international problems with them. This could take var-

ious forms, for instance, inter-parliamentary relations, including relations with the representatives of the European Parliament.'

What specific response has the European Community made to these proposals?

Mr Alavanos (COM). — (GR) In a note to the secretariat, I requested that discussion of my question should be postponed to the December part-session.

President. — Mr Alavanos, under the Rules of Procedure it is not possible to postpone it to another part-session in view of the fact that you are present in the Chamber. You have already been here this afternoon putting several questions, so I am afraid your presence has been notified to the House. Either you withdraw it, in which case you get no answer, or you are willing to sit here and get an answer today. You can always put down another question for another time.

Mr Goebbels, President-in-Office of the Foreign Ministers. — (FR) The Ten, meeting in political cooperation, are carrying out a thorough examination of the purport of Mr Gorbachev's statements concerning the preparedness of the USSR to enter into a dialogue with the European political entity.

At the same time, the Community is examining the possibility of establishing links with Comecon. Both the political and economic aspects of relations are therefore under consideration, the former in the context of political cooperation, the latter in the framework of the Community. I would add that we discussed this at length rather less than an hour ago.

Mr Alavanos (COM). — (GR) Concerning that subject — which we spoke about a little while ago — I would like to ask the President-in-Office, since such a positive step has been made by the Soviets — that is, the expression of their wish to recognize the Community, even as a political entity — whether there should not be some reciprocal step from the EEC, transcending our adherence to known attitudes, so as to facilitate this intercourse?

Mr Goebbels. — (FR) I can inform you that, on 27 September last, Comecon forwarded to the Commission the draft joint declarations on the establishment of official relations between Comecon and the European Community.

The Council of Ministers replied on several occasions, and we have given an appropriate response to Comecon, with which we shall soon be having discussions which I hope will be very direct.

President. — As the authors are not present, Questions Nos 32, 33 and 34 will be answered in writing¹

Question No 35, by Mr Tzounis (H-587/85):

Subject: Joint Soviet-Libyan exercises in the Mediterranean

Since the beginning of the year, there has been increasing evidence of closer cooperation between the Soviet Union and Libya in military as well as other spheres. In September, for the third time, joint Soviet-Libyan exercises were held in the Mediterranean. This development elicits justifiable concern regarding the possibility of embroilments in a particularly sensitive region.

Have the Foreign Ministers considered the political destabilization this new factor is likely to cause in a geographical area of immediate interest to the Community?

Mr Goebbels, President-in-Office of the Foreign Ministers. — (FR) The maintenance of peace and stability in the Mediterranean region is a constant aspect of the political action of the Ten.

Since they are concerned more particularly with the military aspects of security, the joint exercises to which the Honourable Member refers have not been discussed specifically by the Foreign Ministers of the Ten meeting in European political cooperation.

Mr Tzounis (PPE). — (GR) I am sorry to hear the answer we have received, which means that the Foreign Ministers meeting within the scope of political cooperation are indifferent to the political consequences of certain military exercises taking place in the Mediterranean.

My question to the President-in-Office of the Foreign Ministers was whether the Ten have considered the destabilizing political consequences that the exercises in question are likely to cause. I am sorry not to have been answered on that point.

Mr Goebbels. — (FR) The Ten monitor all events in the Mediterranean very closely, because the Mediterranean is virtually a sort of inland sea to the Community and everything that happens there can have security implications for all of us.

It should be stressed, however, that all manner of military and naval exercises take place in the Mediterranean. Whether one likes it or not, the Mediterranean is an open sea. I therefore fail to see how the Ten could object when sovereign States on the Mediterranean organize naval exercises with partners of their

choice, even though European States may have doubts as to the extent of such manoeuvres, and especially their purpose.

Mr Tomlinson (S). — I was rather surprised to hear the President-in-Office suggesting that, as these were military manoeuvres, they did not come within their scope, viz., political cooperation. Were these military manoeuvres announced as required by the Helsinki Agreement, something which has long been the concern of the Foreign Ministers? And, following that notification under the Helsinki Agreement, were they deliberated upon by the Foreign Ministers?

Mr Goebbels. — (FR) Since it is indeed the case that military matters are not discussed in the course of European political cooperation, I am not in a position to tell you whether notification was in fact given of these exercises as required by the Helsinki Agreement. However, I assume that it would have been.

President. — Question No 36, by Mrs Squarcialupi (H-588/85)

Subject: Questions falling within the terms of political cooperation

Having received the answer to Question H-451/85 and mindful to the European Parliament's right/duty to be aware of the priorities and/or preferences which the Foreign Ministers meeting in political cooperation adopt when faced with the most flagrant violations of human rights, I would ask the following question:

How can it be that the expulsion from Hong Kong of 13 women, mothers of children and married to Chinese fishermen from the bay, who do not have identity cards but who are allowed to live on their boats, does not fall within the terms of political cooperation when the Foreign Ministers are continually responding to violations of human rights, one of which is, of course, the right of families to remain united?

Mr Goebbels, President-in-Office of the Foreign Ministers. — (FR) The thirteen women referred to in the Honourable Member's oral question H-451/85 had previously arrived in Hong Kong illegally, and it was as illegal immigrants that they were expelled from its territory.

Since it refers in the first instance to the immigration policy in force in a dependent territory of a Member State as such, the question is outside the scope of European political cooperation.

Mrs Squarcialupi (COM). — (IT) The answer that the representative of the Council has just given me

¹ See annex to Question-time.

Squarcialupi

makes it unnecessary for me to thank him. First of all, the Council shows itself to be not very well informed. These women had a proper entry permit, except that they were forbidden to land. This seems to me to be absurd.

The question that I now propose to ask is as follows: do you consider yourselves not competent because it is a question of human rights involving a Member State, or because it involves women — mothers, moreover, with families?

Mr Goebbels. — (FR) I regret that I do not have any additional information on the question raised by the Honourable Member. I would reiterate that this is a matter relating to the immigration policy in force in a dependent territory of a Member State, and that it is conventional practice, whether one likes it or not, that the Foreign Ministers meeting in political cooperation do not comment on such matters.

I should nevertheless stress that the territory of Hong Kong is having to cope with a continuous flow of immigration, with refugees from all sorts of places trying to go there. In this connection, Her Majesty's Government recently approached a large number of countries, including all the Member States of the European Community, inviting them to accept some of the refugees currently staying in Hong Kong, especially Vietnamese refugees.

My government has stated its agreement in principle to accept several refugee families from Hong Kong.

With your leave, Madam President, I should like to take this opportunity to appeal to all Member States of the European Community to help the Hong Kong authorities, the British authorities and above all the refugees concerned by doing likewise.

Mr Newman (S). — I would ask the President-in-Office of the Foreign Ministers to bear in mind that Hong Kong is not part of an EEC Member State, the United Kingdom. It is a colony of the United Kingdom with a population of several million people whose future is being disposed of with no serious regard for their democratic rights. Does he not feel, therefore, that there are all kinds of infringements of the democratic rights of the people of Hong Kong and that in that sense this question should be answered?

I would like to ask a further question that is related to the general thrust of Mrs Squarcialupi's question. It seems to me, reading and listening to the answers of the Foreign Ministers meeting in political cooperation to various questions on human rights, that these answers display enormous inconsistencies in the matter of which issues can be taken up by the ministers and which issues they refuse to take up. And this is not just in relation to alleged violations within the EEC Member States.

I will finish by making this point. I asked a question — not an oral question but a written question — many, many months ago concerning a Mr Qerim Sopi, a prisoner in Yugoslavia, and I have not yet even had the decency of receiving an answer from the Foreign Ministers meeting in political cooperation. That was a question asked many, many months ago.

Mr Goebbels. — (FR) I am of course not in a position to reply on some of the specific points raised by the Honourable Member, particularly the question concerning the Yugoslav national of whom he has spoken.

Nor can I subscribe to all the judgments contained in his question. I would stress, however, that the Council and the Ten endeavour, to the utmost of their ability, to protect basic freedoms and human rights everywhere in the world.

Unfortunately, this is an all but impossible task because, as the evidence shows, human rights are being violated constantly in many if not the majority of countries in the world.

I do not think that the Council can be criticized for inconsistency; at most, it could be criticized for not entering the lists daily in the necessary defence of these basic rights to which all of us here subscribe.

President. — I would just inform Mr Newman that at any time he is at perfect liberty to put down a written question on his own concerning the further matters that he raised today.

As the author is not present, Question No 37 will be answered in writing.¹

Question No 38, by Mr Ulburghs (H-619/85):

Subject: Religious persecution in Burundi

There is a whole body of evidence to show that the Burundi Government has introduced all manner of repressive measures against the Catholic Church, ranging from general administrative chicanery to outright persecution. The Burundi Government's particularly hostile attitude is apparently due above all to the support the Catholic Church is giving to a number of small religious communities and to the oppressed Hutu people. The government is reportedly afraid that the State machinery is losing control of the Hutu, who in fact represent about 75% of the population. Burundi is one of the ACP countries. Can the Ministers state their willingness to put pressure on the Burundi Government to put an end to this distressing situation?

¹ See annex to Question-time.

Mr Goebbels, President-in-Office of the Foreign Ministers. — (FR) Respect for human rights and the basic freedoms, including the freedom of worship, is the subject of constant concern and attention on the part of the Ten.

This also holds as far as the circumstances of the Catholic Church in Burundi are concerned, and the Ten have not failed and will not fail to take due account of the problems arising in this connection in their contacts with the competent authorities.

Mr Ulburghs (NI). — (NL) I think the problem of the persecution of the Catholic Church in Burundi has to do with the authoritarian system in that country, where a small minority, the Tutsis, has held power as long as anyone can remember and oppressed the utus, who form the vast majority of the population. I believe we must view the persecution of the Catholic Church in this light, because the victims are very likely to be priests who side with the majority, the Hutus, and that is a thorn in the government's flesh. What are you thinking of doing about this?

Mr Goebbels. — (FR) The Honourable Member has put his finger on the nub of the problem. I can only confirm what I have just said. The Foreign Ministers meeting in political cooperation held a discussion on the problem of the refusal by the authorities in Burundi to grant residence permits to foreign nationals, particularly members of religious congregations.

The Foreign Ministers meeting in political cooperation regard this as something which must be followed closely, and the Community heads of mission in Burundi will have to keep in touch with the situation.

President. — Question No 39, by Mr O'Donnell (H-628/85):

Subject: Father Rudi Romano

What action has been taken by the Foreign Ministers meeting in political cooperation, and with what results, following the motion adopted by Parliament on Thursday, 12 September 1985, on the abduction and disappearance of Father Rudi Romano?

Mr Goebbels, President-in-Office of the Foreign Ministers. — (FR) The Ten are constantly concerned with matters relating to human rights and basic freedoms, and they are keeping a close watch on the case of Father Romano, the member of the Redemptorist Order in the Philippines who was the subject of the resolution of the European Parliament to which the Honourable Member refers. They have made representations to the Filipino Government for information as to what has become of Father Romano, in response to which the Filipino authorities informed them that

enquiries were in progress and the findings would be notified to the representative of the Ten in Manila.

Mr O'Donnell (PPE). — Is it the intention of the Foreign Ministers meeting in political cooperation to maintain contact with the Filipino authorities and to continue the pressure on them so that we can ascertain the whereabouts of Father Romano? He was abducted on 11 July and it is causing grave concern, not merely to his immediate relatives, but to the families of over 200 Irish missionaries who are working in the Philippines.

Mr Goebbels. — (FR) I can answer the Honourable Member's question in the affirmative. The Ten are indeed going to continue pressing the Filipino authorities for information about Father Romano. I would also mention here that the President of the Council himself has made representations to the Filipino authorities, following a direct approach by letter made by an Honourable Member of this Parliament, Mr Richard Balfe, to Minister of State Poos.

President. — The first part of Question time is closed.¹

4. *A Citizens' Europe — Recognition of higher educational diplomas — Right to vote and stand in local government and European Parliament elections (contd)*

President. — We now resume the joint debate on a Citizens' Europe (Docs A 2-133/85), A 2-139/85, B 2-1124/85/rev., and B 2-1125/85).

Mrs Banotti (PPE). — Madam President, at the end of this very interesting debate I have just a few words to say. Most of the points I originally wanted to make have already been made, and I know that many of my colleagues wish to proceed with this debate very quickly.

The dismal results of last year's European elections called for a vigorous response from the Community to combat the apathy which resulted in our citizens staying away in their millions from the voting booths. Vigorous response there has been, and the Adonnino Committee fulfilled its brief commendably. This important Commission proposal and Mrs Fontaine's excellent report mark the first of what we hope will be many interesting initiatives.

My own response to both the proposals and Mrs Fontaine's report is positive and hopeful but tempered with a certain trepidation. Bold imaginative political gestures such as the Commission proposes and Mrs

¹ See annex to Question-time.

Banotti

Fontaine advocates could be the answer to European stagnation, and I wish they were. But, alas, the ultimate implementation of these bold imaginative gestures will rest with the Council, a body not generally associated with such gestures. I fear that the questions raised and the obvious pitfalls in the proposal may be summarily dismissed or subjected to so many qualifying clauses that it may not see the light of day for many years to come.

The Chinese have a wise proverb: *If you love your child, send him on a journey*. All over this Community a young, highly educated generation is interested in travelling, studying and working in countries other than their own. They have the time and the courage to take the risks involved, but, alas, there is still nothing here to encourage them to take that great journey. That journey is particularly important for the young citizens of countries such as my own on the periphery of the Community.

This directive does not deal with the academic recognition of diplomas and periods of study which would enable young people to complete part of their studies in Member States other than their own. We still continue to penalize them by taxing them when they spend their summers working in other countries to the detriment of the savings they hope to make whilst doing this summer work.

I would also like to see the draft directive proposed by the Commission on the right of residence, which would allow for the mobility of students between Member States, discussed very soon by the Council of Ministers. Anything that encourages our young people to take up the challenge of studying and working in other countries has to be encouraged by this Parliament.

I feel that a directive permitting reciprocity at this level, namely, the student level, and thus anticipating some of the difficulties this current directive could raise would be a more practical way of opening up a general system of recognition of higher education diplomas.

That being said, I hope that this Parliament votes in favour of this report and that the Council has the courage to adopt this imaginative gesture.

IN THE CHAIR: MR NORD

Vice-President

Mr Christiansen (S). — (DA) Mr President, we should recognize in this Assembly that there are differences between the peoples of the Community countries. There may be those in Western Germany and

other Community countries who think that the introduction of a Community anthem, a Community flag, Community sports teams and Community stamps will make the daily lives of the Community's citizens easier. But I can assure him that in Denmark we consider it much more important that our fishermen in Jutland can drive their refrigerated trucks to Italy without interruption, so that the fish do not deteriorate on the way, that the eggs we like to eat are produced under acceptable conditions of animal welfare and that our workers are given better environmental conditions under which to work.

We also consider it more important that our citizens, as tourists in Europe, can be sure that their drinking — and bathing-water is not a health hazard, that the hotels they stay in have proper fire protection and that our foods are not full of harmful medical residues, additives and colouring agents. An effective contribution in these fields could be guaranteed to increase the citizens awareness of and interest in the European Community. We Danes want to see some results from European cooperation. We cannot be fobbed off with symbols; the everyday lives of ordinary citizens' will not be made easier by gestures. On the contrary, the Community and Parliament are made to look ridiculous when the majority here take decisions on symbols which bear no relation to reality.

There is a great deal of hypocrisy here in the Community. In Denmark, we could not see any point in introducing a common Community passport in the Member States; but we accepted the proposal, and now these passports are being issued to everyone in Denmark. Yet the countries which were keenest to get the new passports have not yet introduced them. I agree with Commissioner Ripa de Meana who said today that we should be talking about real progress; but I have to point out that the country the Commissioner comes from, Italy, has not yet fulfilled its obligations with regard to the passport. Neither has the Federal Republic of Germany nor the Netherlands. Is it not hypocrisy when you push with all your might and main to get empty symbols accepted but have not the slightest intention of using them yourself? I might also ask when Germany, the Netherlands and Belgium plan to ratify the European Fund.

I shall devote the rest of my intervention to a remark on the question of voting rights and eligibility for election at local level for Community citizens: all immigrants in Denmark today have these voting rights after three years' permanent residence in Denmark. I am therefore very disappointed at Parliament's rather illiberal proposal to set the limit as high as five years for Community citizens. Immigrants in Denmark are keen to use their voting rights. In the local elections held in Denmark in 1981, the total turn-out was 73.3%. Of the immigrant population, 61.3% turned out to vote. In conclusion, therefore, I would say to those countries which have not yet given their immigrants the vote: concentrate on catching up with Denmark, and

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the quicker the better! These immigrants are fellow citizens who make their contribution to life in our countries along with the rest of the population and should enjoy the right to exert political influence under equal conditions with their fellow citizens.

Mr Hoon (S). — Mr President, I am speaking on behalf of the Socialist Group to the oral question tabled by Mrs Fullet and Mr Arndt on the right of nationals from other Member States to vote and stand in local government and European Parliament elections in their country of residence.

The denial of the right to vote to non-national residents is a growing problem for modern societies. It affects many hundreds of thousands of people in the European Community and specifically deprives many thousands of citizens of the Member States of their franchise, simply because they have decided to live in a different Community country from their country of origin or nationality.

There are, very generally, two possible solutions to this constitutional difficulty. The first would be to grant the right to vote in the country of the citizen's nationality, irrespective of non-residence. Postal voting or voting in national embassies or consulates would have to be established therefore on a general basis.

This is the solution which from time to time the British Conservative Government has appeared to favour. It ignores, however, the particular difficulties which arise in those countries which have, very sensibly, decided to retain the single-member constituency system, since inevitably it is impossible to determine the constituency to which the extra-territorial votes should be attributed. The electors of Derbyshire, for example, would be very surprised to discover that permanent residents of Brussels or Luxembourg were voting to determine who should represent their constituency, either in the European Parliament or, more remarkably, at local government level. It is difficult to imagine that non-residents could have anything but the most historical or second-hand knowledge of the particular political situation.

The alternative approach, favoured by the Socialist Group, would be to allow permanent residents to vote in their country of residence. This has many advantages. It provides a certain definition as to those entitled to cast their vote, specifically by reference to the particular constituency, area or region where their vote would be cast. It would guarantee equality of treatment with other similarly placed residents, enabling everyone in a particular community to shape and determine local decisions, restoring the franchise on the basis of residence and knowledge of local conditions and circumstances.

There are obviously certain practical difficulties to be resolved. What definition of residence should be

adopted? What length of residence should be required? Should the principle be extended generally to all residents, whether or not they are also nationals of Community Member States? Which elections should this approach apply to? Some of the answers to these questions are provided in the motion for a resolution. Others may require some further consideration.

The Socialist Group believes that in the first place it should be necessary to have been resident for more than 5 years before exercising the right to vote, although there is always the possibility of this period being reduced according to the definition of residence adopted.

The Socialist Group also believes that the right should be extended to local elections on the assumption that it will be an established right by the time of the next European elections.

Finally, in the long term the Socialist Group would like to see the right to vote extended to all residents irrespective of their nationality, that is to say, whether or not they are citizens of Member States of the Community. Only by extending the franchise generally can the electoral system claim to be truly democratic.

Mr Brok (PPE), rapporteur. — (DE) Mr President, may I make a brief comment, but first put a question to the Commission. If I understood him rightly, Commissioner Ripa de Meana stated, for which I am thankful, that he approved the procedures and priorities of the report before you here. May I ask you to confirm this, for it has also been proposed that the Council should be forced, in a first phase, following the decisions of Milan, to consider the proposals of the Adonnino committee and only then, in a second phase, to deal with the more far-reaching proposals of Parliament and the Commission. I think that for tactical reasons we should proceed in such a manner as to force the Council to explain itself; but we can only do that if the Commission, which has the power of initiative, follows the same strategy.

I now have a comment to make on the speech by Mrs Seibel-Emmerling and her accusation that the report is merely a list and does not deal with the main issues of this world. In so doing, Mrs Seibel-Emmerling really shows her taste for slogans and is trying to put the case for a Europe of prejudices. She said that what had been discussed was unimportant and the major problems of agricultural policy, hunger in the world and so on had not been touched on. This may be true of individual cases. Of course we must resolve the problems of unemployment, hunger in the world and agricultural policy, but that was not the subject of the report and Mrs Seibel-Emmerling, who is on the appropriate committee for the Socialists, knew this quite well.

I think that someone who tabled no amendments in two committee meetings and thereby approved the

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procedure, who then forget to table any amendments in plenary sitting and then blows her own moral trumpet in public is not following the kind of policy that will make it easier for us to cooperate in future. I think, Mrs Seibel-Emmerling — it is typical that you are not present now, for you have now completed your moral trumpet-blowing — that in future you should proceed differently and not make cooperation even more difficult.

Mr Ripa di Meana, Member of the Commission. — (IT) Mr President, ladies and gentlemen, I think that the very full debate that we have had today confirms the substantial interest and support of the European Parliament for the initiatives that have been taken in various quarters for the achievement of a people's Europe.

I will immediately confirm, Mr Brok, the accuracy of your interpretation. As far as priorities are concerned, your interpretation is correct as regards the — let us say, 'tactical' — concern regarding the first stage, in which we keep to the road outlined by the Adonnino Committee, with the intention of insisting that those recommendations, which are of a priority nature and which have however encountered very unyielding resistance, are implemented and this resistance removed, so that other priorities can also be set for what you call the second stage — a stage in which the impetus and proposals provided by Parliament and the Commission shall integrate, complete and to some extent go beyond the horizon outlined by the Adonnino Committee, the *ad hoc* committee on a people's Europe. But there is a problem, which I have already explained to you: the problem, that is, of avoiding putting too much work on the Council, with the consequent risk of offering a convenient technical excuse for them to say that the ship is overloaded. Hence the stages that you rightly referred to and the need for pressure to be increased gradually.

From the debate the Commission draws conclusions that all encourage it to fulfil its proper role. I therefore confirm the road that we have taken, I confirm our determination to overcome the obstacles that have appeared over and over again. I also confirm — since I come from a meeting of the Commission that has decided precisely what I had hoped for this morning — that the Commission's work progress report will be sent in the next few days to Coreper, and the Commission now asks the Council to insert the item 'a people's Europe' on the agenda for the European Council meeting in Luxembourg on 2 and 3 December. We intend to maintain all the pressure that Parliament, with this debate, has shown it wants to exercise on the Council, to see that there is no backtracking and no silences on the subject.

I think you realise that I cannot now answer all the speeches. I should like only to recall three points. The debate has confirmed the central importance attached

by this Parliament to the question of the right to vote. I am therefore ready to give an undertaking that the Commission will prepare the report you have asked for without further delay. I have already given, at the meeting of the Commission that is in progress, a first indication along these lines, and I also confirm that, at an early meeting of the Commission, I will raise the question whether the time is now right politically for a specific directive on the right to vote.

The second point that the debate has shown me, and which I consider very important, is the assessment of the Commission's activity. Whilst attention has been drawn to certain omissions and certain delays, I think that Parliament in the main shares our assessment as to the need to avoid swamping the system with details, when we have an extremely delicate situation in which the Council is deliberately using details as a blocking ploy and an excuse for bogging down and putting off.

Finally I must answer Mr Ciccimessere, who referred in his speech to general questions — the decision-making process and the duties and role of this Parliament — the questions, that is, that are today being examined by the Intergovernmental Conference, and which relate to the alteration and reform of the Community Treaties. Let us say that I agree, broadly speaking, with the way he sees this question, but with regard to the specific point of conscientious objection, a brief comment is necessary. In the Community there is in fact very serious disparity between what I would call advanced situations — the situation in Denmark, for example, which recognizes the right of conscientious objection in its 1916 constitution, or that existing in Holland, which is also very flexible — and a situation such as exists today in Greece, where there is a completely closed, insensitive mentality on this subject. The enlargement of the Community to include Spain and Portugal widens this problem, including as it does two other situations which, I would say, fall amongst those furthest from the examples of Denmark and Holland. I recognise the size, the substance, the immediacy of the problem and, moreover, I had the pleasure of receiving here in Strasbourg Mr Olivier Dupuis, a Belgian conscientious objector who was tried by a military court in recent weeks, and who handed to me a petition signed by 13 000 European citizens asking this European Parliament and the institutions of the Community to speak out and adopt a position on the subject, and not leave this aspect of Community life in its present state of decline.

So I am not personally insensitive to this matter. On the contrary, I consider it a subject worthy of our examination and prompt action.

I should like to conclude on this point by saying that I have already taken steps and approached the President of the Commission, Mr Jacques Delors, with a request that the Commission should not just make its traditional excuse of non-competence, but should face up

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to and study the problem, which deserves detailed thought and consideration, as I have said.

President. — The joint debate is closed. The votes on the motions for resolutions contained in the Brok and Fontaine reports will be taken at the next voting-time.

We shall now proceed to vote on the requests for an early vote on the two motions for resolutions, Doc. B 2-1165/85/rev. and B 2-1167/85, to round off the debate on the two oral questions.

(Parliament approved the two requests)

The vote on these two motions for resolutions will be taken on Friday at 9 a.m.

5. Fourteenth report on competition policy

President. — The next item is the report by Mr Franz, on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on the fourteenth report of the Commission on competition policy (Doc. C 2-32/85).

Mr Franz (PPE), rapporteur. — *(DE)* Mr President, ladies and gentlemen, in its excellent fourteenth report on competition policy the Commission has once again declared its faith in competition. It has rightly emphasized that the principle of undistorted competition is a cornerstone of the common market. We must thank the Commission for agreeing with so much of the proposals of this Parliament. It is pleasing to find that our ideas are now so similar. Naturally, competition is not an end in itself. Let me set out, in six points, why competition serves the people of our Community well.

Firstly, free and fair competition is an essential means of revitalizing the European Community and thereby protecting and creating forward-looking jobs.

Secondly, competition ensures the optimum distribution of resources and makes restructuring easier, promotes technical progress and thus protects international competitiveness. In this way competition also and especially creates new opportunities for vocational training and jobs for our young people.

Thirdly, competition promotes the development of new manufacturing processes and marketing methods and the introduction of new products that interest the consumer. Competition ensures that the people will be adequately supplied with a wide variety of products.

Fourthly, competition controls the market and ensures that all those who participate in the market can in millions of daily decisions freely determine the trend of the supply of goods and services. Fifthly, monopolies

and cartels restrict competition. Competition is the precondition for the founding of many new undertakings, for the free play of creativity and dynamism. Competition gives the consumer and the employee more freedom.

We can achieve the social aims of the Treaty of Rome only if we have free and fair competition. But competition is faced with a multitude of threats, as we all know. The report before you concentrates on the three main ones: protectionism, subsidies and the malpractices of many public undertakings.

Two years ago in the explanatory statement to our motion for a resolution, protectionism was compared to a contagious disease which is as rife today as the plague was in the middle ages and which is just as deadly. In the last two years we have found no effective means of combating this plague. Unfortunately, it has not been contained but has continued to spread, appearing in ever more subtle forms. Many people scarcely remember what a healthy system looks like and believe a plague-ridden one to be the normal state of affairs. They have forgotten how good it is to be healthy.

Subsidies continue to be the worst enemy of competition in Europe. We should remind ourselves time and again of the devastating results of our having for years distorted competition and impeded technological progress in many industries in Europe by providing subsidies to keep them going. State subsidies have discriminated between competing industries, weakened competitive undertakings and sometimes forced them off the market. They have delayed the urgently needed adjustment of many industrial regions — I am thinking now of the Saarland and the Ruhr region — to changed market conditions.

Everyone knows examples of subsidies that have hampered the necessary modernization of certain industries and thereby destroyed jobs in the long term.

The delusion of many government agencies, the arrogance of many officials, or perhaps we should call them mandarins, who believe they know better than the market which products, which innovations, which new industries should be promoted, which firms must be kept going and which ones should be allowed to go bankrupt has done serious economic damage.

The restricted competition resulting from protectionism and subsidies has helped create our major European problem: youth unemployment. Some public undertakings, whose real task should have been to help eliminate unemployment, have further increased our problems by restricting competition. The fragmentation into national markets for public contracts has led to considerable restrictions on competition, with all the dangers that entails. Public money is being wasted, in many cases expensive research and development is not worth undertaking simply for one national

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market. The irresponsible procurement practices of many public undertakings in Europe means the loss of the great potential offered us by a free internal market of 320 million people for research and development and thus for our competitiveness on the world market.

Let me come to my third point. What must we do to ensure undistorted and fair competition in Europe? By 1992 we must create a fully operational internal market. An internal market free of border controls will strengthen competition within the European Community and make our undertakings more internationally competitive. One of this Parliament's main tasks will be to ensure that the step-by-step aims set out in the Commission's white paper are achieved on time, that no new delays occur on this decisive aim, which should long since have been realized.

A free internal market also means a common European currency. Even if the EMS has led to more stability, even if the ECU is becoming more important, and who would doubt it, that is not enough. We must give President Delors our full support in his efforts to make progress in this important area. Mr Pöhl, President of the Federal German Bank, named important preconditions during our monetary meeting on 11 September. They include the dismantling of all foreign exchange controls and capital movement restrictions. We must and we will attempt jointly to create the necessary conditions to ensure that 12 different European currencies cannot for ever act as a hindrance to competitiveness in Europe.

If we really want to give our young people better chances, we must create more room for private sector business now. We must liberalize the public contracts system. Free access to tender for public supply contracts strengthens competition between Community undertakings and leads to more economic use of public money. We must adapt the framework conditions, so that they enable the efficient undertakings to protect their competitiveness without state impediment. We must make it easier to found new undertakings, given the opportunities they offer young people in Europe.

Lastly, we must do our utmost to ensure free world trade, even if this demands more creativity and dynamism from some quarters. People keep forgetting that more than half our exports go to countries outside the European Community. Being poor in raw materials, Europe is more dependent than most other regions of the world on free world trade.

Only if we have a free world trade can we save the foreign currency we urgently need to pay for our energy and raw materials imports. Even voluntary restraint agreements and industrial targeting lead to restrictions on competition. Free world trade is the most effective aid to development, the major contribution to reducing hunger in the Third World. Of course, it can entail short-term problems, but if we do not give the

Third World greater access to our markets too, then we will not be able to prevent the starvation of many people, the absence of job opportunities for many young people in the Third World.

On behalf of the Committee on Economic and Monetary Affairs and Industrial Policy I would ask you to vote for the motion for a resolution on competition before you. This motion for a resolution is not addressed only to the Commission and the Council. It is an unmistakable challenge to everyone in this Parliament. If we do our utmost to achieve fair and undistorted competition, we will be making an important contribution to reducing unemployment, and especially youth unemployment in Europe.

Mr Prout (ED), *draftsman of the opinion of the Committee on Legal Affairs and Citizens' Rights*. — Mr President, before I begin, I am obliged by the Rules of Parliament to say that from time to time I practise as a barrister in the courts in matters concerning European competition law. Today I speak as the draftsman for Committee on Legal Affairs and Citizens' Rights. In that capacity I wish to make four brief observations to this House.

First, it is clear that the Commission enjoys substantial independent executive authority in the application of Community competition law. National parliaments, Mr President, have no power to control the Commission in the exercise of this authority. However, the European Parliament has such powers. Sad to say, and however irresponsible it may be, we do not exercise them, and the losers are the Community citizens. We must take our role more seriously if we wish to fulfil our constitutional responsibilities. One debate a year on this topic makes a mockery of parliamentary supervision. The Committee on Legal Affairs and Citizens' Rights urges the Parliament and its appropriate committees to establish procedures to make democratic control a reality.

Second, we recognize that the tasks which DG IV has been set are enormous in relation to their resources. Both the Parliament, as joint budgetary authority, and the Commissioners, who have at least some discretion over the allocation of manpower resources already available to them, should place a higher priority on increasing the staff available to DG IV. Unfortunately, shortage of staff has led, in the view of the Committee on Legal Affairs and Citizens' Rights, to excessive reliance by Commission officials on block exemptions, comfort letters and informal settlements in circumstances where clear-cut individual decisions would have been more appropriate.

Third, as far as the civil-law consequences of breaches of Articles 85 and 86 are concerned, national enforcement plays a small role in EEC competition law in comparison with its United States counterpart. The Commission wishes to encourage a greater enforce-

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ment of Community law by the national courts of Member States, claiming that this would allow its staff to concentrate on a few particularly complicated cases.

The Committee on Legal Affairs and Citizens' Rights supports the Commission's objective. However, at present there is no uniformity in the legal remedies available in Member States, a fact which will in itself distort conditions of competition between the Member States if allowed to continue. Before it pursues a policy of encouraging national enforcement, the Commission should ensure that the procedures and remedies available are equivalent in all Member States. There may be no need to draft harmonizing legislation to achieve this object. In the view of the Committee on Legal Affairs and Citizens' Rights, Article 5 to the Treaty requires that national laws must not make it impossible for citizens to exercise their Community-law rights in Member States. The Commission therefore is under a duty to pursue those States which do not provide appropriate remedies under Article 169.

Fourth, the Commission's stock answer to the Committee on Legal Affairs and Citizens' Rights' annual criticism about the way in which it conducts its investigations is to say they are too Anglo-Saxon. But this, Mr President, is based upon a misunderstanding. We have resorted to the Anglo-Saxon due-process approach not because we reject the continental administrative approach but because the continental administrative approach as represented by Regulation 17 and applied by the Commission contains a fatal flaw: it fails to grant a right of appeal to a higher tribunal on a finding of fact.

In the absence of any initiative to introduce such a system, whatever the rhetoric of the annual competition reports, the Committee on Legal Affairs and Citizens' Rights has been driven to adopt a due-process stance. If the Commission is really serious about establishing an appeals system, it should get on with it and make the appropriate proposal.

Mr Sutherland, Member of the Commission. — Mr President, despite my frequent contacts with Members of the European Parliament and with a number of your committees, this is the first opportunity I have had to participate in a general debate on competition policy, and I welcome the occasion.

Let me say at the outset that it is pleasant to find the Commission in agreement with the views expressed in the Parliament on this subject. As the rapporteur has noted in his initial contribution, the influence of Parliament's views is evident in the report placed before you for your consideration. Given this fundamental concurrence, any minor differences of opinion which one may have can, I think, easily be modified so as to find a solution acceptable to all concerned. I think, therefore, that we start from a position of mutual support for the positions that are adopted.

I would like to compliment the rapporteur. He has produced a comprehensive survey of the different aspects of competition policy and has given us some useful pointers for the future. I share the deep useful pointers for the future. I share the deep and clear concern that has been evidenced in the report in regard to building up the competitiveness of European industry and the crucial role that competition policy has to play.

Competition policy has, of course, an important role to play in the creation of the internal market, which is one of the fundamental planks of both Parliament and the Commission in terms of the development of Europe. It can help to foster cooperation between companies across national borders. It can approve State aids in some fields such as research, and it can contribute to the development of new products and processes which are vital for the development of a dynamic industrial infrastructure in Europe.

We must also, of course, be aware of the attempts that can be made to interfere with the achievement of the Common Market in Europe. The competition rules can be used to break up cartels which seek to divide the Common Market into its different national components by means of market-sharing, arrangements or distribution agreements which impede parallel, cross-border trade. Just as import restrictions and interference with the free movement of goods prevent the creation of the internal market, so too progress may be impeded by certain types of State aid. Indeed, it is often the most grievously serious type of protectionism which is evident in the Community today. Aids in favour of national production — those which artificially encourage exports within the Community and, indeed, any other aid measures which a Member State may use simply to shift its problems to a fellow Member State — are, in the words of Article 92, 'incompatible with the Common Market', even if that Common Market is not yet a perfect one. Such aids cannot be tolerated.

Of course, competition policy should not be viewed as a negative discipline. It is a positive discipline which is helpful to the creation of the Europe which we all seek. It should seek, therefore, to improve the competitiveness of European industry and to encourage the development of new technologies. The extensive debates which took place on innovation during the October part-session shows that Parliament shares our interest in this respect.

In the field of competition, our concern has been evidenced in several block-exemption regulations now fully operational. For example, the research and development bloc-exemption regulation facilitates the common exploitation of research and development cooperation. The patent-licensing bloc-exemption regulation encourages the dissemination of new technologies throughout the Community. So, too, the regulation on specialization agreements gives small and

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medium-sized firms substantial leeway to cooperate in the manufacturing of goods, thus enhancing their competitive position. Also of importance in connection with the advancement of innovation and competitiveness is the framework which we intend to prepare for State aids to research and development. On the Eureka project, for example, our specific ideas are as follows. The objectives of the Eureka programme coincide with those pursued by other Community policies which help to strengthen the competitiveness of the European economy such as, in particular, competition policy.

Community competition policy is positive towards technological promotion and cooperation. At the same time, the creation of individual or joint market dominance, or barriers to entry, cannot be permitted. Effective competition should be maintained. The establishment of a truly unified market must be safeguarded so as not to jeopardize the anticipated increase in productivity and competitiveness and thus defeat the economic objectives of stronger technological cooperation.

The effectiveness of programmes in research and development depends to a large extent on their selectivity — that is to say, on their ability to provide financial support where such support is really necessary in the common interest. A unified European market composed of healthy competitive undertakings will have the obvious consequences for the Community's position *vis-à-vis* the rest of the world. The draft resolution emphasizes the need for approaching competition problems in an international context, the need for free world trade and the dangers of protectionism. I fully concur on all points and can assure you that our active involvement in the relevant OECD and UNCTAD working-groups is continuing.

Apart from these multilateral fora, we also have bilateral contacts with our external trading partners. Consultations on individual cases of application of the competition rules — both theirs and ours — is carried out in accordance with the 1979 OECD recommendation on cooperation in this field. As for general issues, yearly meetings take place between high-level Commission delegations and their relevant counterparts in Tokyo. Indeed, I shall be going to Tokyo this week to meet the Japanese anti-trust authorities and to take part in the EEC-Japan Ministerial Conference this coming weekend. These contacts are of obvious importance in promoting harmonious international relations.

With regard to new developments, although the competition reports give a review of developments over a specific period, these developments are, of course, part of a continuous, steady evolution. Rather than comment further on what has happened during the period starting nearly two years ago, I should like to say a few words about issues of current interest arising out of the report and your comments, issues which, I

think, represent the logical development of those covered in the Fourteenth Report.

In the field of anti-trust, this year has been characterized in the first place by a major cleaning-up exercise. With all six block-exemption regulation adopted over the past 2 years in force and operating, hundreds of pending notified agreements are being sorted out. I hope the statistics will soon show a dramatic drop in the backlog of notifications, although, obviously, not all are covered by block exemption.

I should add that I do not agree with the opinion expressed in the Legal Affairs Committee of this Parliament that block exemptions have been adopted to short-cut normal procedures. The Commission has delegated powers to adopt such regulations, which are, thus, simply part of a normal approved procedure. The large majority of companies and their advisers are quite happy with this instrument, which affords legal security without the need for notification.

The Economic and Social Committee has expressed similar views. This year, we have been examining three specific issues not covered by block exemptions — namely, joint ventures, franchizing and know-how. Business circles have expressed a desire for greater clarity in these fields, and we are happy to comply. Developments in this connection will, of course, be dealt with in the Fifteenth Report on competition policy. I have recently announced that the Commission proposes to adopt positive guidelines on joint ventures.

Another issue which has received particular attention this year is the application of the competition rules by national courts, a matter which has just been adverted to on behalf of the Legal Affairs Committee. I am a firm supporter of this idea, without underestimating the problems that are involved with regard to it. It would allow, first of all, a serious attempt to be made with the proliferation of infringements of Community law that we are aware exist. Application at national level would increase the general awareness of the competition rules and thus enhance the acceptance, and ultimately the respect, of the competition rules in day-to-day business activities. A great deal of work has been done and will continue to be done to achieve the degree of conformity in individual Member States which is, of course, a basis for the development of this national jurisdiction. I agree with the view that it is necessary that there should be that underlying compatibility. Negotiations at judicial level and at the level of lawyers and also industrialists should in the course of the coming year help to facilitate that development.

To conclude my remarks regarding anti-trust developments on a rather more sombre note, I feel obliged to mention three regulations which have been pending before the Council for years: merger control, air transport and sea transport. The Commission's comments on the lack of progress in the Council are start-

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ing to sound like a broken record. There is, in fact, a spark of light at the end of the tunnel as far as sea transport is concerned, although it is too early to bring out the champagne at this stage. Enough has said concerning air transport during the extensive debate on the Klinkenborg report in September, so I will just say a quick word about merger control. That proposal seems to have become the traditional heritage of incoming Commissioners. I certainly hope to spare my successor the honour of having to deal with it, whenever that may be. As you will be aware, the European Parliament gave substantial support to this initiative from the Commission, and we have modified our draft to include all of the European Parliament's proposed amendments except one. We envisage two more meetings of the appropriate Council working-group before Christmas to sort out exactly what problems each Member State still has, after which we shall have to take the appropriate political decision.

In times of economic difficulty, attention is always more sharply focused on State aids, and during 1985 there have been a number of important developments. As you are undoubtedly aware, the existing Steel Aids Code will expire at the end of this year. I think we can be very proud of the result. Since 1980, capacity reductions amounting to 32 million tonnes have been achieved — well within the goal of 30 to 35 million tonnes — and I should like to pay tribute to the Commission services in bringing about the successful conclusion of that aids code. For the future, new arrangements were decided on at the end of October, when the Council gave its unanimous assent — something not easily achieved — for a new, strict steel aid régime for a further three-year period. All aids for emergencies, continued operation and investment will be forbidden, and all financial interventions by Member States will have to be notified in advance to the Commission. Aids for research and development and for environmental protection will still be available for the steel industry, but only subject to strict conditions, as was also the case for certain closure aids. This restrictive approach to State aids for steel will help to promote the recovery which is now under way and which is designed to lead to a full return to normal market conditions in the steel sector.

I have already mentioned the subject of State aids and the framework for State aids in connection with research and development projects. I regards it as an important step forward to achieving greater transparency both in the subsidization of industry by Member States and in terms of spelling out more clearly the criteria which will guide the Commission in evaluating aid proposals.

Your report calls for the Commission to give special attention to a number of points in the field of State aid which are related to transparency, monitoring and evaluation. During my first year in office, I have given particular consideration to these aspects of our own policy, and we have set in motion various steps aimed

at strengthening and reinforcing its coherence. For example, the Commission has now set up a special task-force to compile an inventory of State aids in all sectors of the economy and to analyse their economic impact. We are also taking steps to ensure greater availability of information on our procedures and methods of appraisal. The question of recovery of illegally paid aid has also been on my mind, and, I am sure, also on your mind. As you know, the Commission first made its intentions in this field publicly known in 1983, and we have required repayment in a number of cases since then. I am personally convinced of the need to pursue unnotified and illegal aids with particular rigour. Your report recommends that illegally granted aid be repaid with interest into the Community budget. While the idea may be appealing for a number of reasons, we unfortunately lack a legal basis on which to act. The suggestion of using Article 87(2) is not possible, because this article relates only to Article 85 and 86 and not to State aids.

The fines paid to the Commission under Regulation 17 for anti-trust infringements aim at deterring companies from engaging in anti-competitive behaviour. We have no comparable legal instrument with regard to State aids. Even so, one should not underestimate the impact of a Commission decision requiring the repayment of illegal aid. It is one of the best ways of ensuring that Member States respect their Treaty obligation.

In the field of public undertakings and State monopolies, 1985 saw the extension of the directive on the transparency of financial relations between Member States and their public undertakings, to cover all the sectors which were originally excluded — energy, water, transport, PTTs and public credit institutions. I think that is a significant achievement. I should add, regrettably, the information which we have been getting from the Member States is still not entirely satisfactory, but I have no doubt that it will be.

Apart from this general measure, there were several individual cases in which the Commission acted against restrictions of competition and discriminatory barriers to trade in the public sector, including the first application ever of Article 90(3).

Before I conclude, there is one other point on which I would like to ask your assistance. It is a point which has already been raised, and I am grateful to the contribution from the Legal Affairs Committee in regard to it. The Commission is anxious to pursue an effective competition policy as a positive instrument for the creation of the European Community. In general it is a field where we can, and do, work in close harmony with the European Parliament. However, our ability to pursue this aim, to foster the sort of policies recommended by Parliament and to tackle the abuses which it so rightly condemns is of course, governed by the staff at our disposal. Despite their dedication and their efforts, we simply do not have enough staff in our

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competition department to meet all the demands we should like to make of them. We hope that in your deliberations on the budget and particularly on the staff allocations of the Commission you will find ways to give us the means of carrying out our task. In the face of ever-increasing sophistication of anti-competitive practices, we need to reinforce the very small number of people who work to ensure that competition in the Common Market is not distorted. This will benefit all within the Community. I believe that the Commission and Parliament are natural allies in the field of competition policy, and you can be assured that all your suggestions and comments will receive my most serious attention.

(Applause)

Mr Gautier (S). — *(DE)* Mr President, ladies and gentlemen, first let me as rapporteur for last year's report on competition express my warm thanks for the fact that in its fourteenth report on competition policy the Commission has responded so fully to Parliament's observations.

In our renewed debate today in the Chamber on the role of competition in the European Community, I think Christian Democrats, Conservatives and Socialists are starting out from somewhat different points. For I cannot but feel from the whole debate that many Conservatives here regard competition policy as purely an end in itself and pursue it as an end in itself, while we Social Democrats and Socialists would say: competition policy is *one* component of our overall economic policy, regional policy, social policy, etc. We do not therefore regard competition policy as an end in itself but as something that goes hand in hand with other policies and we would also like to discuss the many individual questions that arise there politically.

There are two main reasons why we Socialists nevertheless have a very positive attitude towards the role of competition policy in our overall economic policy. Firstly, large areas of competition policy within the European Community and in the Member States were developed partly by Socialists, for the quite simple reason that competition policy has something to do with the control of economic power too. We want to control economic power, the concentration of economic power, and the resulting political power. So we believe that competition policy plays a decisive role here, as it does in formulating an answer to the question: how can we as social groups, as political parties, as a Parliament, control economic power and thus also restrict the political power of large undertakings? There are many examples of this.

The second point is that competition policy is of course connected with the optimum allocation of social resources, whether between producers and consumers, between undertakings — to think only of the classical cartels — or between individual States. Only

here again we must ensure, Mr Commissioner, that this is subject to a political decision.

If we look at the allocation of economic resources — e.g. in connection with exemptions pursuant to Article 85 — we must also ask: how should we evaluate this politically? To whom is it useful? Is a block exemption in the automobile sector useful to Japanese importers or is it harmful to the European consumers? This is a political and not a purely legal evaluation.

Unfortunately there is hardly any control of economic power to be found in this report on competition. We could make a few comments on the way the Commission handled IBM. I think we ought to pursue that case. We have one question: how can we control the block exemption rules the Commission has decided? And, Mr Commissioner, how can we also control what you yourself have just mentioned in your speech, namely joint ventures, relating to research and development and to cooperation between undertakings in general? Do we regard this kind of thing as what the Americans call pro-competitive, or can this measure also restrict competition in wide areas and mean the misallocation of resources, especially with reference to what happened with block exemptions in research and development. We would be most grateful to see a report on that.

State aids, Mr Commissioner: you have gone into great detail about the recovery of subsidies and aids. We called for that last year. Just one comment on that: I believe it is far too much for the Commission to attempt to control State aids, because usually these are not open but hidden aids, granted by regional and local corporations, communities, regional associations, etc. Surely that is a far more serious problem than the question whether the Commission is officially checking whether some outline plan or whatever is compatible with EEC competition law.

Mrs Van Rooy (PPE) — *(NL)* Mr President, ladies and gentlemen, I should like to compliment Mr Franz on his report, in which he gives a lucid explanation of the essential and constructive function of the competition policy and its relationship with other policies, like the commercial policy. Competition policy is not therefore an end in itself, as we Christian Democrats are also well aware, but a means of using the productive forces in society as efficiently as possible to prevent companies from wielding excessive power, which is not in the interests of the community at large.

Mr President, we cannot but welcome the fact that, thanks largely to the Commission's efforts, the Member States have become increasingly reluctant in recent years to subsidize weak firms to keep them going. But they have not completely abandoned subsidies. They have gone over to stimulating innovation in industry, encouraging the development of new technologies. And although my group is, of course, pleased that the

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Member States have exchanged a defensive strategy for an offensive strategy, which is much better for employment, a warning, an expression of concern is not inappropriate.

Concern, Mr President, firstly, because we must take care that a new subsidy race does not begin, with governments competing against each other with national research and development programmes. With technological advances occurring so rapidly, expenditure on research and development accounts for a growing proportion of the cost price of a product. Major differences in the subsidization of these costs may therefore lead to serious distortions of competition.

A second cause of concern is that it is often unclear precisely what is meant by aid to innovation. The impression is that it is easy to stick the innovation label on all kinds of traditional forms of aid, like regional aid or restructuring aid, to make these subsidies look acceptable. We must therefore welcome the fact that the Commissioner has again confirmed that this aspect is certainly not being overlooked by the Commission.

A third cause of concern is the growing unwillingness of the Member States to notify the Commission of aid measures by the appointed date. In answer to questions put by Mr Patterson early this year the Commission itself referred to delaying tactics used by the Member States to defer the provision of the required information, and the Commission felt that these tactics could no longer be regarded as the exception to the rule. This is, of course, an extremely grave development. It prompts me to raise the question of transparency. A good competition policy is a transparent competition policy. The Commission has various instruments for ensuring this is so.

One of these instruments is the transparency directive, and we are very pleased that its sphere of application was greatly extended last year. Another instrument is the 'declaration' which gives interested third parties the opportunity to comment on aid arrangements which are notified. In theory this is a very fine instrument, but in practice it is often no more than an empty shell, because these declarations frequently contain far too little information for other firms to be able to identify possible adverse effects on competition. In many cases they do not say clearly what product market is concerned or what the position is of the firm that will benefit from the aid arrangement, which makes it extremely difficult, of course, to make relevant comments. The inadequacy of the information is often due to the Member States' failure to obtain it, but the Commission should not resign itself to this situation. It must force the Member States to provide the information required by threatening automatic refusal to approve aid measures. Otherwise they will not take the Commission seriously and ultimately provide less and less information because that is what suits them and they have nothing to fear.

Mr President, I will conclude with a comment on a blatant form of competition which the Commission itself perpetuates. This is the subsidization of butter, which applies to large but not small bakers. Happily, Commissioner Andriessen has now taken a decision of principle that will extend this arrangement to small bakers as well. I hope you will help him to put this decision into effect quickly. That might be a nice Christmas present for the bakers.

Mr P. Beazley (ED). — Mr President, it has always been a problem for rapporteurs of the Committee on Economic and Monetary Affairs and Industrial Policy like myself to limit their activity on the Community's competition policy to a report on a report — that is, in fact, DG IV's annual report on competition. They have had the choice of completely ignoring the details of the annual report and concentrating supervisory powers of Parliament over the Commission's very considerable executive powers or, alternatively, reporting on the details of DG IV's annual report as such. The exercise of Parliament's day-by-day supervisory responsibility over the Commission has therefore largely gone by default.

Mr Franz's excellent current report on the Commission's Fourteenth Annual Report is a good example of this dilemma. He has chosen a good middle course between these two extremes. My group will totally support his report together with the all-important additions provided by Mr Prout's amendments on behalf of the Committee on Legal Affairs and Citizens' Rights.

We consider, however, that the time has come to solve the dilemma of the rapporteur on competition. We readily accept the proposition of the Committee on Legal Affairs and Citizens' Rights that our committee should produce two reports per year and hold an initial public hearing. In this way we could improve our work by concentrating in the two separate reports on the two different aspects of our work. That is, we could deal with the Parliament's overall supervisory responsibility in one report quite separately from our other report on the detail of the Commission's day-by-day activities as reported in their annual report. I suggest that the two reports should be spaced out at six-monthly intervals so that our committee's supervisory work continues throughout the whole year.

Finally, I turn to the Commission. Our group and my committee have a consistent record of an excellent relationship with DG IV in regard to the Community's competition policy. In supporting the proposition of the Committee on Legal Affairs and Citizens' Rights for the production of a separate report devoted specifically to our supervisory duties, I wish to assure the Commission of our goodwill in the exercise of our parliamentary duties, because our objective is the same. We fully accept the need of DG IV to have special powers in regard to competition policy beyond

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those granted to other DGs of the Commission, but Parliament, too, has also special responsibilities.

My group believes that the Community's competition policy is vital to the production of a firm economic base to the Community. The new measure is therefore essential to the achievement of the Community's aims and to the fulfilment of Parliament's supervisory duties.

Mr Bonaccini (COM). — (IT) Mr President, this year again the Commission has prepared for us a report that seems to me a particularly conscientious one, and one that is worth attention. But, for that very reason, we cannot reply to it merely with automatic, continuous declarations of principle. There is the danger that, as a result, the only competition that will be generated is competition of an ideological nature, between those who are for the market economy and those who are against.

That would frankly be a really mistaken diatribe, because I do not think there can be any doubt in this Chamber as to the demands, the realities of the market, and the essential requirement that the results are commensurate with the investment of resources.

Nor can there be any question of defending — and this is something that the resolution rather neglects — the monopolies and suchlike that distort the markets and distort the results of healthy, fair competition. In this connection I must express my regret that, in certain countries, including Italy, there are still no legislative instruments. I think it would have been better, and will be better in the future, if we devote ourselves to an examination of concrete questions, and the procedures by which they are governed. Mr Prout has drawn this to our attention, and I think that he was right to do so, regardless of what our opinions may be as to the concrete proposals that he wishes to make. We must at all events avoid making it impossible for our joint conscience and political will to accept what we are perfectly able to stomach in our resolutions.

I regret that the questions regarding international trade and the problems of opening up this international trade have been treated too lightly. We all agree with the anti-protectionist approach, but I think that the resolution is a little too reserved — I would almost say 'modest' — in finding a minimum of consistency with what the Community decides or will decide in regard to steel, pasta, cereals, the motor industry and so forth, so as not to expose our industries to the attack of other, well protected forces outside the Community, which sometimes go so far even as to legislate with extraterritorial effect.

This trade is beset with obstacles of every kind — many of them unfair. That is why, with regard to the resolution, our attitude will depend not only on these considerations of a general character but also in the

concrete decisions that will be taken by the Assembly, on the basis of the amendments that we and others have tabled.

Mr Wolff (L). — (FR) Mr President, the annual debate on competition policy is of special interest because it enables us to evaluate a fundamental constituent of the Common Market and ascertain its development through a series of reports drawn up by the Commission.

Competition, along with being a constituent of the Common Market, is one of the founding principles of the Treaties and an economic force which allows resources to be better distributed. In fact, the means provided by competition policy are like a lever with which we can get a better return from Community economic activity.

The Commission is of course in a position to take action on this. There are four courses open to it: supervision of agreements, checking of abuses of a dominating position, State aids and public undertakings.

I should like to examine more closely two of these courses which the Liberals consider to have a very precise meaning: supervision of State aids and control of aids to public undertakings.

Supervision of State aids is all the more necessary because the elimination of customs barriers would not be of much use if Member States were allowed to grant subsidies to their own undertakings *ad infinitum*. Mr Franz was perfectly justified in his report to stress the permanent nature of the challenge offered by national subsidies to ensure that competition policy within the Community is followed. A detailed description of the threat posed by increases in cases of uncontrolled or 'clandestine' subsidies would be superfluous. They create serious disadvantages for the national economies — and may I again quote our rapporteur — and, at a political level, leave the Community in danger of collapse.

However, we must realize that even the Commission's checking of the amounts of these subsidies, examining them 'case by case' — approximately 500 since 1980, of which 70 were decisions against — has serious shortcomings: aid schemes which were not reported, which of course is in breach of the Treaty, not enough decisions taken to forbid subsidies, illegal subsidy payments which are incompatible with the concept of the Common Market.

The rapporteur seems to have prepared a useful analysis, requesting more stringent control of State aids, and we are naturally very much in favour of them; in this extremely delicate area the rapporteur was able to distinguish the importance of some aids, particularly those designed to improve vocational training of young people which are obviously limited in their scope.

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It must be remembered that decentralization in France provided local authorities with the opportunity to come to the aid of undertakings. This interference seems to us Liberals to be neither advisable nor desirable, and the use of public money should not, in our opinion, mean that it is spent for purposes other than those for which it was originally intended, even if guarantees are not given. We hope that Mr Franz's proposals on this point will persuade the Commission to take more forceful and ardent action in the future.

The Liberals would like to see more consideration given to the supervision of public undertakings. However, here it must be said that the Commission seems strangely to be remaining silent or even totally blind to what is happening.

During the last legislature a member of the Liberal Group, Mr Delorozoy, submitted a report to Parliament for approval asking the Commission to examine the activities of nationalized undertakings in respect of the Common Market. When Member States do not desist from granting subsidies indiscriminately and all kinds of aids to their public and nationalized undertakings — without it being always possible, obviously, to ascertain the exact amount of these contributions — it can only be regretted that the Commission did not take up Parliament's initiative and take some more determined action on this matter. Let us add that if, by chance, it wanted to take a determined stand on this in the future it could certainly count on Parliament's support.

We must also take into consideration the fact that the Commission did not remain as passive as our previous remarks might have led one to suppose: to try to mitigate the harsh nature of my comments, let me finish by saying that the Franz report which we shall adopt is a tribute to the Commission's action which should encourage it to improve its competition policy.

Miss Quin (S). — Mr President, two minutes is, of course, not long enough to give any detailed views on Mr Franz's report and I can really only make one or two general comments, although I hope that in the vote amendments that I have put forward will be adopted.

When Mr Franz's report was first considered in the Committee on Economic and Monetary Affairs and Industrial Policy, I described it as a hymn or an anthem to free, unfettered competition. This description, I believe, is an apt one. In many cases, it reads like a manifesto to free market forces and does make what I feel are extravagant claims on competition's behalf. I do not think, for example, that the unemployed inhabitants of our least prosperous regions would share the view expressed in paragraph 2 that competition ensures an optimum distribution of resources.

The report, I believe, is unrealistic in its belief that absolutely pure free trade is an immediately feasible proposition. It has to be recognized that many governments, and not just left-wing ones, quite rightly practice interventionist policies. It is much more a question, in my view, of negotiating arrangements which lead to orderly and balanced trade both between EEC countries and in the world than of expecting barriers, many of which have valid regional and social objectives, to be eliminated.

In the report it seems to be assumed that the workings of free competition automatically mean a bigger economic cake, but even if that were true, the arrangements for sharing out the cake are as important as its size. On this point the report is much less loquacious. Yet for us, particularly on the left, the distribution of wealth produced is just as vital as its creation.

Finally, I agree with Mr Gautier that competition is only one aspect of the economic situation, and, rather than expect it to perform miracles on its own, we need to look at all the other aspects and tools of economic recovery which will enable all of our regions to look forward to a better future.

Mrs Oppenheim (ED). — (DA) Mr President, let me say at the outset that I support this report on the Commission's fourteenth report on competition policy, and must admit that I am happy to associate myself with that circle of conservatives to which Mr Gautier referred in his intervention — that circle of people who think that very policy is, if not the most important thing, then at least one of the fundamental principles for which we are working politically in this and other European assemblies.

I should like to add one or two comments on a particular point which was not given any great prominence in Mr Franz's report, a point which the Commissioner dealt with briefly in his first intervention — namely, the question of free competition in civil aviation. I think it regrettable that the majority, as we saw in connection with the adoption of the Klinkenborg report, in fact took a very hypocritical decision based on double morality, with the result that, though we support competition, we do not do so in that very important field.

The Commissioner mentioned in his speech that the Commission had taken account in its continued work of the comments and proposals made by the European Parliament when we had our debate some six weeks ago; But I find it difficult to believe that this is the case. I am basing my remarks here on comments regarding this matter which have emanated from the Commission, on newspaper reports and on attitudes held by Members of Parliament. It would therefore interest me very much if the Commissioner felt inclined and had the opportunity to explain how it is intended to make progress in the efforts to secure lib-

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eralization and freedom of competition in trade, including the air transport sector.

One other point which I should like briefly to touch upon — indeed, as others have said, we cannot deal with all the key issues in competition policy — is that the report also contains a section on support arrangements. There is no doubt that support arrangements in principle distort competition. I think therefore that we must be very vigilant in ensuring that a trend does not set in to apply too many general measures of support and that support arrangements, where they are introduced, should be subject to assessment in each individual case. This should be quite specific, for we do not want to see industrial policy develop into a new form of agricultural policy, which is already so heavily criticized.

Mrs Boot (PPE). — *(NL)* Mr President, I will confine myself to the procedural problems and refer the House to two amendments tabled by my group, Amendments Nos 8 and 9. The fact of the matter is that during the reorganization of DG IV two years ago the posts of detective and prosecutor, the official who lodges complaints, were merged, and in practice that is not very conducive to good work. We therefore call on the Commission to consider the possibility of separating these two posts again, as is the case before the courts.

The Commission has fairly considerable powers in this respect.

Secondly, the post of hearing officer has been introduced. He chairs the meetings at the Commission. This post is not backed by adequate guarantees, and it is not properly defined. We also ask the Commission to pay particular attention to this aspect. I was extremely pleased — as was my group — to hear Mr Prout say in the conclusions he draw on behalf of the Committee on Legal Affairs and Citizens' Rights that the European Parliament will be organizing a hearing on competition practices. I believe that this hearing will bring a great deal to light and that the private sector will seize the opportunity it presents to raise the issues I have just mentioned. I therefore hope that Amendment No 9 will also be adopted.

Mr Christensen (ARC). — *(DA)* Mr President, this report is a pretty piece of liberal propaganda, but by and large it sticks to general exhortations and cannot therefore hide the reality of the Community's policy. This reality consists in an increasingly hard-headed protectionist commercial policy which is bringing the Community to the brink of a trade war with other western nations, a commercial policy under which the developing countries are being forced to accept an extension of the multifibre arrangement and so-called voluntary restraint agreements, a subsidy policy which is disrupting the world market in a number of agricul-

tural products, including products from the developing countries, an anti-dumping policy which is hitting the Eastern Bloc countries and others and which is having a protectionist effect. The reality also embraces an agricultural and fisheries policy applied on a planned-economy basis which is monumentally bureaucratic and costly and an industrial policy which massively subsidizes industries in decline and which now, by way of wide-ranging and costly technology programmes, seeks to bring advanced industry into the ambit of public financing and control. The reality further includes a so-called competition policy in which the monopoly provisions of the Treaty of Rome are interpreted and applied, as the Stanley Adams case shows, for the protection of monopolies against consumers and the competition-oriented sectors of industry.

Finally, I am in no doubt that Parliament will adopt the report by a large majority. The same Parliament will, with equal enthusiasm as far as the real world is concerned, defend and seek an extension of the protectionism, the planned economy, the subsidy policy and the monopolies policy I have just mentioned.

Mr Sutherland, Member of the Commission. — Mr President, I would like to commence by taking up a point made Mr Prout. I think it is lamentable that this is the only real opportunity one has in a whole year of debating and discussing a policy area of the wide scope that competition policy has in the development of the Community. Therefore, I am not in any sense apologetic for rising again to my feet to deal with the specific issues which have been raised in the course of the debate. But let me say that I support, and will in any way possible actively support, any initiative which allows for a greater degree of communication between the Parliament and DG IV, and myself as Commissioner for competition, in the future. I hope that Parliament takes up that challenge, as indeed has been indicated by a number of speakers today.

Let me make another general observation at this stage, because I was particularly interested in the comments of Mr Gautier, which I thought were both pertinent and important. I firmly stress to Parliament the view that competition policy is not something to be dealt with in isolation. It is part and parcel of the overall economic development of the Community. It is not something to be viewed legalistically. It is something to be interpreted, however, in the context of developing a true European economy for the overall good of the Community. I would like to make that quite clear.

He used an expression which perhaps came across in translation incorrectly, because I do not think it reflected the import of what he was saying. He referred to the importance of the political assessments. Of course political assessment in one sense is important. In another sense it is highly detrimental. Let me give you an example. If State aid policy is to be dictated by very short-term gains in a particular political

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situation in a particular Member State, in a way which may be electorally popular but ultimately damaging to that State and indeed to other States within the Community, then that political response is not desirable. I am quite certain that that was not the import of what he was saying, that he was talking in a broader context. That being the case, I agree with him.

I should say also that, in what we are trying to do, our concern is, in fact, not merely to protect the various undertakings and enterprises in the Community but also to have regard for the overall development of the market insofar as it relates to the consumer's interests. There is a very general interest which underlies and underpins the concept of Community policy in regard to competition. Let me also make the point in that overall context that Community policy does make allowance for and does concern itself with, for example, regional aspects when they are compatible with the Treaty, which does make allowance for certain derogations, so to speak, in the context of a regional situation or a particularly acute difficulty in a particular industry.

After making those general comments, I would like to pick up some specific points made in the debate and in amendments which have been tabled.

I shall start with Amendments Nos 1 and 21, which deal with air transport. I agree whole heartedly with the statement made in paragraph 39 of the motion for a resolution. In fact, the Court of Justice has confirmed that the rules of competition are directly applicable to air transport in the French Maritime Code case of 1974 and the Commission v Belgium case in 1978. We do not agree with the view apparently held by many Member States, although I am sure that they are changing their minds, that the Council may repudiate in some way the competition rules in the air transport sector. The Council can, of course, confer upon the Commission powers of investigation and sanctioning. However, even without such specific powers, which would indeed facilitate enforcement, the Commission has direct powers and indeed a duty to act against infringements. Actions have in fact been undertaken this year. I would like to make that point in regard to the air transport sector.

I refer now to Amendment No 26, which I have already adverted to and which is tabled by Mr Prout and the Committee on Legal Affairs and Citizens' Rights. The use of block exemption regulations, as I have said, should not be seen as a short-cut to proper procedures. I think block exemptions are adopted according to delegated powers given to the Commission and can be extremely useful. The advantage of such regulations is, of course, that they provide enterprises with legal certainty without requiring them to notify their agreements. The term 'comfort letters' covers a wide variety of instances in which a file is closed or suspended without a formal decision being taken. The majority of such letters contain a simple

declaration to the effect that an agreement is *de minimis* or falls under a block exemption regulation or falls under one of the Commission's notices, for example, on commercial agents or cooperation in other words, a declaration that the agreement poses no problems from the point of view of the competition rules. I do not believe that this really is a short-cut.

Actual informal settlements, thirdly, are very rare, and where complainants have been involved they have specific rights. I think that that also needs to be said. I also agree on the need for appropriate staffing, a point to which I have already referred in connection with what has been said by Mr Prout.

With regard to his points relative to the common law system — a system of which I also am a product — let it be said that whilst the phrase 'due process' emanates, I believe, from across the Atlantic, it is, of course, born of the common law system. But underlying it is the principle of natural justice, a principle shared with the civil law system. By reason of that fact I think that there are many advantageous aspects to the development of the competition policy, which was primarily influenced by the civil law system. I think that the introduction of the hearing officer has been important, and I think that it does provide some satisfaction in the context of the concern with regard to due process.

With regard to the two-tier system of judicial review, Mr Prout and the Committee on Legal Affairs and Citizens' Rights will have noted that the Commission has reaffirmed in the report its attitude *vis-à-vis* the two-tier system of judicial review and welcomes Parliament's support in this connection. Although the introduction of the system would involve institutional reforms going beyond the boundaries of competition policy, we have taken every opportunity to stress that view. Perhaps the issue may be taken up in an appropriate way in the not too distant future — one would hope by those who are concerned or have the ability to implement the reforms required in the area.

There were a number of other points that I wanted to make in regard to amendments. With regard to the block-exemption regulations, it is true that in several sectors national markets were characterized by barriers to entry, such as, for instance, the motor-vehicle and beer markets. Contrary to the statement made in the amendment, the block-exemption regulations which the Commission has adopted for new entrants from other Member States and, in doing so, reinforce competition within the Member States concerned. Special rules have thus been created, but this was necessary to take into account the peculiarities of the products and the way that they are distributed.

I should underline that block exemption can only be granted where the category of agreements concerned fulfils all the conditions of Article 85(3) of the Treaty. Consequently, in the case of the regulations on motor vehicles and beer, there is absolutely no question of a

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departure from the normal, in other words, the basic rules. That deals with Amendment No 28.

I would like to refer very briefly now to Amendments Nos 8 and 9. The aim of the reorganization of DG IV, which took place at the end of 1984, was to develop the specialized knowledge of particular sectors. All phases of a procedure are now dealt with by the same team, which helps to increase effectiveness and eliminates delays. The system, I think, is working satisfactorily, and changes in the organization of DG IV are not therefore being considered.

I have already adverted to the question of the hearing officer. I think that the duties of the hearing officer are sufficiently well defined and guarantee objective procedures. His mandate has been published in the Thirteenth Competition Report. He has direct access — and I have indicated this to him personally — to me at all times, and the objectivity of the procedure would, in my view, not be enhanced by a further extension of his powers. I see no reason for it.

With regard to the issue of transparency referred to during this debate, I can say that we are doing something which will be of very direct assistance in that we are going to include more information in publications in the Official Journal. I believe that this will be of some importance with regard to transparency. I have already adverted, during the course of my major submission, to Parliament and other areas where transparency is the particular focus of our attention.

With regard to the interventionist policies that have been referred to by a number of speakers, I think that we are aware of the fact that there is an increasing impetus for intervention in the area of national economies which can be counterproductive to the overall welfare of the Community. We are taking steps to deal with that particular issue. We have indicated, through the procedures which have been adopted relating to the development of an inventory of state aids and the study that is being undertaken in that area at the moment, that we are making substantial progress towards greater knowledge as to what, in fact, is happening in Member States in the area of State aids, so as to ensure that they are productive and helpful to the overall economy and generally helpful to the Community and to the people within it.

I thank you for your general support, which has been evident from all sides of the House, and look forward to the opportunities of further discussion in the future on the subject of competition policy.

IN THE CHAIR: MR PLASKOVITIS

Vice-President

President. — The debate is closed. The vote will be taken at the next voting-time.¹

¹ For the item on membership of committees, see Minutes.

6. Annual report on the economic situation

President. — The next item is the report by Mr Visser, on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy (Doc. A 2-142/85), on

the proposal from the Commission to the Council (COM (85) 570 final — Doc. C 2-118/85) for a decision adopting the annual report on the economic situation in the Community and laying down economic guidelines for 1985-86.

Mr Visser (S), rapporteur. — (NL) Mr President, the last few weeks have taught me that it is no easy task being the rapporteur on so ideological a subject as the economic situation and the fight against unemployment. I find opinions vary quite widely within and between the political groups in this Parliament. This means that, if there is to be a workable majority in Parliament, we must reach a compromise, which means willingness to give and take. A repetition of the situation we had last year, when Parliament was unable to deliver an opinion, would be very unfortunate. And as we are concerned with one of the gravest problems facing the Community, economic recovery and the fight against unemployment, such powerlessness would simply be bad for Parliament's image. In my resolution I have tried to pave the way for a compromise. I see no alternative.

Mr President, I must begin by criticizing the Council. By wanting to discuss this subject on 9 rather than 16 December, it has left Parliament very little time. Look at the timetable: the Commission's annual economic report is published in mid-October, the Committee on Economic and Monetary Affairs and Industrial Policy has to discuss it in late October, and today we have the plenary debate. As rapporteur I have not even had an opportunity for consultations. The amendments in the committee were made orally. In short, this is a procedure that is almost bound to lead to misunderstandings. I therefore urge the Council to adopt a timetable next year that takes slightly more account of the fact that Parliament also exists. Apart from this, Mr President, I should like to express my excellent help in the short time available.

Turning to the contents of the Commission's annual report and my own report, I would point out that the principal goal is the fight against unemployment. Unemployment is unacceptably high, and if economic growth continues at its present rate — it is estimated that the growth rate next year will be only 2.5% — it will remain high. We are not, then, offering the millions of unemployed the prospect of a better future. This is socially unacceptable, particularly when we think of youth unemployment, unemployment among women, the millions of long-term unemployed and unemployment among the handicapped. As a Community, we have achieved good results in the converg-

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ence of economic policies, but unless there is an improvement in the employment situation, I believe we shall have failed. The Commission has rightly drawn its conclusions from this and opted for a different policy, a new strategy.

Last year it was still possible to epitomize the Commission's policy with such catchwords as consolidation, especially supply-side economics, reticent government policy, strict wage moderation and, above all, convergence. But now the Commission's policy can be typified by such catchwords as stimulation, increased investment, even where the demand side of the economy is concerned, labour-intensive processes, differentiation of policy as a function of national potential, in short, additional economic growth, and all this provided there is a social consensus between the Community institutions, the Member States, employers and employees.

This policy is deserving of Parliament's strong support. How does the Commission intend to achieve this higher economic growth? It has put together a package of measures. What is essential is that investment by both the public and the private sector should be stimulated, because it is too low at the moment. It is also essential to increase demand in the Community, all the more so as the United States can no longer act as the Community's motor because its growth is declining. That means increasing public-sector demand and also private-sector demand where it is backed by purchasing power — on balance, then, an improvement in purchasing-power. It is also important that there should be an increase in wages in real terms, but it should not exceed the increase in productivity. That is acceptable in itself, provided the trade unions agree, because we must after all create opportunities for more labour-intensive investment and also for the financing of shorter working hours.

Also extremely important are the completion of the internal market, technological innovation, stable exchange rates and open international trade. In my report I have described the conditions that should be taken into account in this context, and I shall not repeat them here. But various aspects are not discussed in sufficient depth in the Commission's annual report, and I have paid rather more attention to them in my own. Examples here are shorter working hours, unfortunately the subject of a number of amendments in the Committee on Economic and Monetary Affairs and Industrial Policy, the need to strengthen the regional and social policies (what the Council has done in the 1986 budget is, of course, unacceptable), the fight against unemployment among certain specific groups, such as young people and women, and the need to reduce interest rates, which is very important if investment is to be stimulated.

Mr President, the discussion in committee centred primarily on three aspects. They are difficult and may well act as a breaking-point for a section of this Parlia-

ment. They are social consensus, moderate real increases in wages and shorter working hours. Prior social consensus is vital to the success of a new strategy. If there is no prior social consensus, the new strategy is bound to fail.

My report states more clearly than the Commission's report what role each party has to play and what guarantees the employers and governments must also give. My friends from the Labour Party are having a very hard time with this, and for this reason they have already rejected my report, but I should like to take this opportunity to remind them that, if they reject my report, they will in fact be turning against the Commission's proposals and therefore against my plea for more investment, more labour-intensive processes, stronger regional and social policies and also shorter working hours. And I think the Labour Party itself will have to answer to its electors.

The second aspect discussed in committee was the term 'wage moderation'. I have used it in the same sense as the Commission's proposals, where it is used to mean that, while there should be real growth in earned incomes, increases should be moderate to leave room for more labour-intensive investment and for shorter working hours. Moderation does not therefore imply stabilization or even reduction: that would not be commensurate with the philosophy of increasing domestic spending in the Community. As the term 'wage moderation' gave rise to so much misunderstanding, amendments have been tabled. But the Commission's definition has been applied to the letter, and I ask Parliament to endorse this change.

Then there is the question of shorter working hours. I had included a number of proposals on this in my report, knowing how essential the left wing in this Parliament regards them. But in the Committee on Economic and Monetary Affairs and Industrial Policy these passages were deleted or greatly watered down. That may prove to be a breaking-point. I therefore call on Parliament to make good this shortcoming. I have simply expressed my views as rapporteur and tried to reach a compromise. I am now asking Parliament to help me in this. The right wing is now in danger of being accused of not yielding enough to the left wing. Amendments have been tabled to correct this failing, and I appeal in particular to the Christian Democrats to give them their support.

Mr President, I should now like to say something about the possibility of implementing the new strategy. The Commission makes a distinction between three categories of Member States. The first is Germany, which has the greatest potential for stimulating investment and domestic demand. The second group consists of the United Kingdom, France, the Netherlands, Denmark and Luxembourg, which could also do more. The other countries would do well for the time being to concentrate primarily on better convergence.

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The President of the Council, Mr Poos, said in the Committee on Economic and Monetary Affairs and Industrial Policy that in its initial discussions the Council had reacted positively to the premises and objectives of the Commission's proposals. But if we look at the reactions of some of the Member States, they are hardly encouraging. The Commission would therefore be well advised to take full advantage of the formal right to make recommendations to the Member States which it was granted by the 1974 decision on convergence. The Commission must also mobilize the public to support the new strategy. And that means an extensive publicity campaign.

Mr President, I come to my concluding remarks, which will be brief. As I consider a repetition of last year's situation unacceptable, I tabled, I admit, a moderately worded resolution. Despite this, it has been amended so radically that the left wing now has problems. As rapporteur I feel something should be done about this. I have had numerous discussions about this situation in the last few days, and I hope they have had the desired effect.

Finally, I cannot really see any alternative to the Commission's new cooperation strategy for more growth and more employment. We owe this to the 11% and more of the working population who are unemployed and whose prospects are very bleak. The new strategy will not succeed overnight. It is a new process that we shall have to sustain together for several years to come. It is essential that the Member States, the employers and the workers should cooperate. But today, Mr President, we must make a start in this Parliament. For this strong support will be needed, and I call on Parliament to do what is needed.

Mr Van Hemeldonck (S). — (NL) Mr President, the Socialist group wishes to congratulate the Commission on the general tone of its annual report on the economic situation in the Community and the priorities that are immediately obvious from the title: cooperation with a view to growth, which must then create employment. We also congratulate the Commission on its new working methods, which comply fully with the priorities and objectives that have been announced. The Commission explicitly says that employment cannot be increased unless employers and workers cooperate and join in a dialogue and unless the national governments pave the way. The Commission also involved the ETUC and UNICE in the preparation of the report and so set the Member States an example. That is how it should be done.

But my group feels that the Commission has been far too timid in its proposals for action, timid and perhaps even unfair, timid in its approach to certain Member States, to the employers and the financiers and unfair to the workers. With unemployment in the Community in fact much closer to 12% than 11%, the present economic growth rate of 2.5% is certainly too

low. The target figure should be nearer 3.5%. It has also become clear that abstract growth on its own is no solution to unemployment. What is needed is a purposeful, voluntarist strategy in the choice of investment, in the choice of methods and above all in government investment, in such sectors as infrastructure, transport, housing and the environment.

In Amendments Nos 17 and 21, which I have tabled on behalf of the Socialist Group, I have tried to cover all these factors. We emphasize that more private and public investment is needed, that government action must be taken to stimulate demand, that working hours must be reduced as a matter of urgency: a gradual reduction of the working week to 35 hours, and for jobs in the new sectors a 32-hour week might be considered if only to compensate for and cushion the consequences of introducing the new technologies. The reduction of working hours must be shared fairly among all the various sectors and all workers.

We also believe that a moderate increase in real wages is necessary to stimulate demand, that the internal market must be completed, that Community policy must be geared to more stable exchange rates and lower interest rates and that this policy must allow for the differences in national economic potential, with account taken of the need for coordination at Community level. We do not think any of this will be possible without a consensus between the two sides of industry.

We felt it necessary to criticize the Commission for being rather too timid in the guidelines it has laid down for certain Member States, especially those which have already stabilized their prices and balanced their budgets and so have some scope for pursuing an expansive policy. We are referring here to such Member States as Germany, the United Kingdom, the Netherlands and Luxembourg. We make this clear and refer very explicitly to the Federal Republic in our Amendment No 16.

We consider it rather unfair of the Commission — and of the rapporteur — to call on the Member States, the employers and the workers to make the same sacrifices and efforts. Our Amendment No 20 to paragraph 16 tries to put the picture straight by saying that while profits and productivity have risen, unemployment has increased and workers' incomes have continued to fall. We say that in recent years only the workers have made sacrifices without this resulting in a substantial reduction in unemployment and that the policy proposed by the Commission for further moderation of increases in real wages is only acceptable if the opportunities thus created are seized to invest in labour-intensive processes.

To conclude, Mr President, I should like to say that my group is absolutely disgusted by Amendment No 8 tabled by the Group of the European Right, which is a

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classic example of the most disgraceful form of racialism.

Mr Hermann (PPE). — (FR) Mr President, ladies and gentlemen, like many of you, we think that the Commission's proposals for a strategy of cooperation on growth and employment was both constructive and imaginative.

However, I must voice some criticism. First, the Commission, in five pages of very detailed comments, explains the advantages of an efficient EMS. After this panegyric it is surprising to find the following sentence which could not be more platonic: 'The Community authorities are agreed to continue examining the possibility of and conditions for renewed progress in the monetary area'. There is a classic example of a sentence which would make some people smile, but which does not make us smile because we think it is time that the Commission acted more adventurously in this area.

Second, the fact that the strengthening of the internal market should have been relegated to fifth place in the order of priorities illustrates, in my opinion, an underestimation of the possible positive impact on growth of the abolition of internal frontiers, which, of course, you spoke of. However, it is very much a question of giving priority to such matters, and you finished up by relegating it to fifth place.

Third, you are guilty of a serious omission. Nothing is mentioned anywhere about the cost of social security, which on the average is more than 30% of GNP in Europe while it is hardly 20% in Japan or the United States. This difference allows for much greater investment capacity. The Commission should at least be intelligent enough to examine and make a statement on this item. I do not know what is upsetting the Commissioner so much now, but I hope it is nothing I have been saying.

Fourth, the distribution of productivity profits should ideally show a profit in several areas. The magic formula is normally the following: a third for consumption through a fall in prices necessitating a very strict competition policy, a third for investment and a third for the labour factor. The Commission, in its insistence on the simply temporary nature of salary increases which do not keep up with productivity, is getting away from this rule of thumb and it would be better if it took account nevertheless of secular experience, because there have been studies on the distribution of productivity profits for the last 250 years in western economies, and you will see that, every time there is an attempt to get away from this equilibrium, there are negative consequences for employment or economic progress and growth.

I should like to refer briefly to Mr Visser's report. Mr Visser made a worthy attempt to present a report which did not simply reflect an outdated ideology or

prejudices. We shall support this effort in our acceptance of several amendments tabled by the Socialist Group, but on condition that each time there is talk of cutting working hours, it is in terms of the Commission's and the rapporteur's definition in paragraph 29, that is, a reduction in working hours which takes a neutral position on the question of costs.

(Applause)

Mr Patterson (ED). — Mr President, could I start by echoing the rapporteur — we never have enough time to read the Commission document. Perhaps next year we may not have to make that complaint. Having said that, could I congratulate the Commission on its excellent report and also Mr Visser on his. What the Commission text amounts to is a very well argued plan for European economic recovery, and it follows very closely the lines of the Albert and Ball report and the consequent resolutions of this Parliament. This leads me to two immediate conclusions. First of all, the remarkable degree of agreement between different strands of politics as to what ought to be done. One of the proofs of this is that my group will be voting for most of the amendments tabled by Mr Bonaccini, who is an Italian Communist.

The second is quite clear: the only solution to the economic problems that we face — particularly unemployment — is the solidarity of the European Community. There is an old story about a Chinese leader who was asked whether they were going to invest in nuclear weapons and who said: 'We do not need nuclear weapons; in the event of a problem, what I shall do is send out a message to my inhabitants and they will all jump up and down together'. That indicates something about economic policy. Unless we all jump up and down together as a European Community there is no solution to the economic problems which we face. That is something which I recommend to my colleagues from the British Labour Party sitting opposite.

What should these policies be? One place where I do not agree with the Commission is where they talk in the very beginning about widespread pessimism. May I say to the Commission: 'Cheer up!' In the United Kingdom, we have been ahead in implementing a lot of these policies, and some of the remedies have been tried for some years. Public spending and the public sector borrowing requirement in the United Kingdom are now the lowest they have been since 1971, and we also have the remedies. Inflation next year will be down to 3 3/4%. Now somebody is going to say: 'What about economic growth and employment?' That is the interesting point, because economic growth in the United Kingdom is now the highest since 1973, at 3 1/2%, and investment is also the highest at 4%.

What about jobs? I turn to the Commission text. It talks about the 'series of supply-side measures' taken

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in recent years in the United Kingdom leading to the substantial increase in the employed labour force by more than 600 000, almost 3%, from the first quarter of 1983 to the first quarter of 1985. So I say to the Commission: 'Cheer up. The policies do work and in the United Kingdom they are working'.

Let me conclude with one or two issues. The report deals with relations between demand, investment, wages, employment and working-time. Just quickly can I say one or two things about that? First of all, wage moderation and expanding demand, as the Commission says, are both needed together to produce jobs. Secondly, in investment we need a new relationship between capital widening and capital deepening. In the case of working-time and employment, we can have a reduction in working-time — and here pay attention — exactly as the Commission says, but only if it is neutral with respect to costs.

Finally, the relationship between wages and employment. Why do we need moderation? Precisely so that increases in growth do not give more money to the people in jobs but provide more jobs for the people without. That is the essence of the Commission programme, and we support it.

(Applause from the benches of the European Democratic Group)

Mr Bonaccine (COM). — *(IT)* Mr President, my party warmly approves of the document drawn up by the Commission. For the first time it is now stated that general action for economic recovery will not be based alone on the workings of a budget that is now without adequate resources but will, instead, be based on more integrated, global budgetary action and macro-economic manoeuvre. In addition, it contains many new features instead of the old routine, and emphasizes for the first time the possibility of a complex macro-economic manoeuvre, which our Parliament has called for over a number of years.

It proposes an incomes policy that, quite apart from the statistical and economic aspects, leads me to believe that the trade unions reject the idea that the living conditions of employees with jobs can be improved at the expense of the unemployed. This is an accusation often levelled at the trade unions, which I intend to rebut.

There have in the past been prejudicial or unforthcoming attitudes in some quarters, ourselves included, that were rightly concerned to protect the bargaining independence of the trade unions, and the value which that has for themselves and for the very democratic structure of a country.

The Commission's proposal should be seen today against a very different political and social background. There could be no question, of course, of

accepting a decrease in nominal wages, but we could consider — I think — an effective increase, freely negotiated by trade unions and employers, that would be below the increase in productivity. In the same way, where working hours are concerned, our political party puts forward a formula of which Parliament and the Commission have on a number of occasions expressed their approval, and which offers both sides of industry a wide field for bargaining. The independence of both sides is a prerequisite that we have borne constantly in mind. Less emphasis has been given, in the indications regarding an incomes policy, to defining the mechanisms for forecasting employment and its trends, and I regret this.

The programme presented by the Commission envisages that the average level of unemployment in the Community will fall over the next five years to 7% exactly. This is, undoubtedly, not very much compared with the size of the problem, and leaves grounds for bitter reflections. But it also seems a realistic basis, especially because it is put forward together with initiatives and promptings to go beyond the limits of the present trend and promote other real productive activities, that will effectively provide jobs. I will not quote all of these initiatives, but will emphasize the new aspect regarding the environment and a more detailed intervention on the other hand, on monetary questions — which, as Mr Herman mentioned a few minutes ago, are dealt with in a somewhat too facile manner — because we shall be dealing with them, I think, more fully in the near future. I will not go into these because I would have to express some doubts on the feasibility of certain measures that we nonetheless support in other fields of activity.

The last question regards the social consensus. We duly approved the initiatives taken by President Delors, and he has our good wishes and support, which we shall maintain even though there are plenty of quite serious difficulties to be overcome. But I think that, from this standpoint, the fundamental question to be resolved — and I ask the Commission to think about this — is not so much a matter of great tripartite meetings, it is the question of ensuring precise worker participation in industry and precise participation by the trade unions in solving the problems with which we are concerned; otherwise, that social consensus which is the basis underlying the proposal would be brought to naught, and the entire working assumption put forward by the Commission would end up by losing its effectiveness and its *raison d'être*, and that is something which we do not want.

(Applause)

Mr Wolff (L). — *(FR)* Mr President, I should like to begin by expressing my satisfaction, which I share with some of my fellow members, with the work which went into Mr Visser's report on the economic situation which was adopted by the Committee on Economic

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and Monetary Affairs on 30 October last. Mr Visser's theories coincide very closely with those expressed in Mr Herman's report on revival and with the OECD recommendations. With the present unemployment rate standing at 11%, he does not envisage an improvement unless a growth rate of more than 2.5%, a figure quoted in the economic forecast, is achieved.

If this is to be achieved, a certain number of instruments of economic and social policy will have to be implemented, particularly, the pursuit of wage moderation, reorganization of working time, consensus between the social partners, related support for demand, the achievement of the internal market.

This implies the continuation of the efforts at restoring the economy by combating public deficits and inflation, and investment policy, which should be directed towards job-creating sectors.

The rapporteur also supported the improvement of the profit-margin of undertakings in order to promote investment. He stresses wage moderation as a means of guaranteeing a return to a more successful investment and employment policy than was known in the past.

The rapporteur's suggestions are, on the whole, both traditional and reasonable. We would stress the reorganization of working time and conditions, flexibility and not purely and simply the reduction of working time with repercussions on costs. We emphasize our agreement on the necessity of external economic relations, on the indispensable consensus between the social partners at national European level and on the coordination and convergence of Member States' economic policies.

The fight against unemployment remains a priority requiring a growth for which undertakings are chiefly responsible. Uncompetitive undertakings will not bring down unemployment nor create jobs. They must have a ready market.

These conditions bring with them an obligation to work and work well. We must assimilate the best of what those who succeed, like Japan and the United States, have to offer.

Investment will have to be promoted because, as the rapporteur stressed, our production machinery as it is used at present, will not be capable of coping with growth unless efforts are made to improve investment and encourage a more active role in the development of new technology and the search for new outlets. Let us take what is best and not hide ourselves in unrealistic demagoguery.

It is unusual to note that advocates of shorter working time linked to increased labour costs often refer to countries where working time is distinctly longer than ours. Let us defend and reassure our industries and

develop our presence on the market and our competitiveness. This is the price we must pay for job-creation and a drop in unemployment which has been plaguing us for so long.

Mrs Chouraqui (RDE). — (FR) Mr President, ladies and gentlemen, the Visser report which has been presented to us here today is based firstly on an observation.

Recent developments in the different economic indicators reveal a relative improvement in the general economic situation in the Community. This improvement, however, remains on the whole moderate and not high enough to allow the Community to reach again growth rates similar to those of its main partners and therefore take up the various challenges. There are signs of a gradual improvement, but Europe is far from regaining its former health.

To encourage growth, priority must be given to certain policies: tax relief, reduction of budget deficits, redefinition of the role of the State, deregulation, liberalization of productive forces and, finally, a social policy in the undertakings. A productive investment support policy and a wage moderation policy should help undertakings to recover profit margins and competitiveness.

I should like to give special mention to the question of social policy in the undertaking. Within the undertaking, working time must not first be reduced, but flexibility of working hours in its various forms must be organized. This is the content of the amendment we have tabled, and that was the result of agreements between employers and employees. We all know, in fact, that flexibility will often help to create jobs, whereas uniformity rendered the task impossible.

Part-time work, better use of over-time and temporary work should be encouraged if we are to improve the precarious job situation even a little.

Social policy in the undertaking should be based on major agreement of social partners and centred on some of the following principles: increased flexibility of the social management of undertakings, development of collective negotiations, encouragement of the social partners to make the necessary effort together. It is thus that measures for moderate salary increases are necessary to reduce unemployment by curbing the potential acceleration of inflation.

Finally, employees must be encouraged to take an active part in undertakings and participation must become the norm along with the safeguarding of the level of social protection of workers.

Mr President, we shall adopt the Visser report subject to the adoption of certain amendments.

Mr Romualdi (DR). — *(IT)* Mr President, ladies and gentlemen, we, too, are grateful to Mr Visser for his report on the state of our economy and on the critical situation in which our Community has found itself for some time, as well as for the indications as to what needs to be done to get out of the crisis and, in particular, to fight effectively against unemployment, particularly youth unemployment. But, by establishing that an effective strategy against unemployment would require greater economic growth than the 2½% already envisaged, and that, in order to obtain this, it is necessary to consolidate the results obtained in regard to price stability, whilst at the same time achieving greater convergence between all the economies of the Community, he is unfortunately only saying all over again, in a different form, something with which we are all long familiar and which has never been followed up. Thus, as we go on repeating, it is an old story to say that it is necessary to achieve a real, large internal European market — that was repeated here also a short time ago — with over 300 million consumers and suppliers — and recognize the need for moderation where wages are concerned, so that labour costs and the costs of production do not cancel out the profitability that, in conjunction with a more intelligent fiscal policy and better planned State intervention, would make investment possible that would boost employment: investment in the public sector, though only if economically productive, and in the private sector, especially risk capital, which really breeds entrepreneurial initiatives, especially in the field of the most advanced technology, where research and imagination and the spirit of adventure of the new firms must answer the call of new needs and thereby find the key to really throw open the doors of the future, to the men and women of tomorrow's Europe.

But this, unfortunately, is not sufficient to solve the problem. The Visser report tells us little or nothing about how to achieve all this, what roads to take to these objectives and, when it does try to tell us, it does so through a series of social obstacles that are as unjustified as they are a source of hindrance, and which cause us a certain amount of concern. So also do the prejudices that he seems to have with regard to the most modern and developed western economies, which we must make ourselves able to compete with, but whose importance and validity we must neither deny nor blindly attack. Agreed, the American economy and, to an even greater extent, the Japanese economy, together with the social, political and cultural world from which they spring and which are too different from ours for any parallel to be drawn, or, worse, for us to imitate them; they are different from one another, and very different from us. But to say that the American economy only increases the poverty in that country and widens the gap between rich and poor is out-of-date nonsense, without any real foundation. The economies of those countries have undoubtedly many weak points, but despite their many defects they have solved economic, financial, technical and, inevitably, social problems to which the majority

of us Europeans have still not found an answer. That the European economy, in its results and prospects, must take the Third World into account is both socially just and can also be economically worthwhile for everyone, provided it is done without being demagogic — which is what the Visser report seems to be, not least when it makes the establishment of firms with a higher investment risk, and engaged in the most courageous technological innovations, subordinate to the so-called views of both sides of industry which, by their very nature, and by their proper, understandable concern to defend their jobs without taking risks, are the most conservative of all, the most opposed to the change and technological innovation that we need. These, ladies and gentlemen, are some of the reasons why Mr Visser and his report do not in the least convince us.

Mr Seal (S), chairman of the Committee on Economic and Monetary Affairs and Industrial Policy. — I rise on behalf of the Committee on Economic and Monetary Affairs to make this House aware of the difficulties that the committee and the rapporteur have had in preparing this report.

Both last year and this year, we asked the Commission for more time for Parliament to consider their document on the economic situation in the Community. This was not possible last year, and this year the formal text of the Commission's document was not submitted to Parliament until after 16 October. In order to reach this plenary sitting, it had to be adopted on 29 October. This was not, Mr President, sufficient time for the committee or the rapporteur to give sufficient consideration to the amendments, which had in committee to be oral amendments. This of course means that we shall have more amendments here in Parliament.

This, to my mind, is one of the most important pronouncements that we have to make as a parliament: it is always rushed, and that is just not acceptable. To be fair to the Commission, I know that Mr Delors as President and also Mr Pfeiffer appreciate the difficulties that we have, I know that Mr Pfeiffer wants a dialogue with the Committee before he drafts his proposals, and certainly the Commission want adequate discussions before the draft report.

The problem, as I understand it, is with the Council of Ministers, with the 'Ecofin' meeting, which unfortunately, in December, falls in the same week as the parliamentary meeting because of Christmas. I ask the Parliament to support the President of Parliament, to whom I have written, to urge Ecofin to change their meeting so as to fall after our part-session so that we can discuss for a longer time the report of the Commission.

Concerning the report itself, this year has seen a marked change in the Commission's attitude. It is a

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more realistic document than it has been in the past. In my opinion, it faces up to the problems that exist. It accepts as first priority the unemployment problem. And I welcome the strong priority that has been given by the Commission in this document to the fight against unemployment. I obviously cannot support everything in the Commission's report, but I do support it as a whole as the basis for a start of an ongoing dialogue between the Commission, Member State governments and Parliament.

Mr President, I congratulate the Commission on at last taking a realistic approach to the economic situation of the Community, and I wish the Commission every success in persuading the Council to take the same approach.

Mr Pfeiffer, Member of the Commission. — (DE) Mr President, ladies and gentlemen, let me begin with a brief preliminary remark. This year the Commission really has done all it could to ensure that the discussions about time sequences of last year are not repeated. We are well aware that there are still some bottlenecks. On behalf of the Commission I can only state we will continue discussing this with the Council, but I do not think we can work much faster than we did this year.

I would now like to give warm thanks to the rapporteur and the speakers before me. We are all anxious about the nearly 13 million unemployed in the Community — not just parliaments and governments, but the two sides of industry in particular. In reply to several of the questions may I point out that a new meeting was held yesterday between the Commission and the two sides of industry in Valduchesse. I can assure you that both the unions and the undertakings approved and were willing to talk about the Commission's overall concept. We agreed to continue the dialogue both at national level in the Member States and also at the level of branches and sectors.

Against the backdrop of this annual report of the Commission and of the motion for a resolution, I would like to go into a few points concerning the strategy proposed by the Commission and into some criticism and demands you have made.

This year's annual economic report builds on the main conclusions set out last year. But it lays more stress on the need for cooperation between all concerned, especially the two sides of industry, because unless we achieve a better social consensus in the Member States, we will not be able to advance in economic policy. Special features of the strategy are certain measures to support demand linked to moderate *per capita* wage-increases, without increasing the pressure of inflation or putting the major economic balances at risk.

The Community can point to some achievements in economic stabilization last year. Yet it cannot be con-

tent with the current situation because given unchanged policies and behaviour in the medium term, we cannot expect more than a 2.5% growth rate per year, which would give no prospect of any serious reduction in unemployment this decade. But the Commission believes that we can achieve an economic growth rate of between 3 and 3½% and a rise in employment of 1 to 1½% a year in the next five years. That would offer the prospect of reducing unemployment to about 7% by 1990 — and we know that 7% is still nowhere near full employment. But if it proved possible to set such a dynamic trend in motion, it would be easier to achieve changes in behaviour too. The investment level could go up because of increasing confidence. The markets could become more able to adapt without this creating socially unacceptable situations. We could aim at reorganizing and reducing working hours without this meaning higher costs.

A feature of both Parliament's motion for a resolution and the Commission's strategy is that they do not only lay emphasis on the need for cooperation between all concerned but also create a fundamental balance between supply-policy and demand-supporting measures. The Commission and Parliament are on the same wave-length in calling for a dual strategy, i.e. on the one hand the appropriate support for demand, on the other supply policy measures and a moderate rise in real wages. This combination can help improve profitability, increase the investment quota without at the same time reducing the absolute level of private consumption, and both strengthen growth and make it more job-effective. Only then will the efforts to achieve adaptation and wage moderation become socially acceptable and have any sense in terms of employment policy. Only if all parties involved, the two sides of industry and the State, make their contribution will we have the chance of seeing a positive chain reaction of economic activities.

Like Parliament, the Commission believes that every contribution and measure must remain within the framework of a monetary policy geared to stability. If it proves possible to make use of margins for play to reduce interest rates with the necessary care and in a coordinated manner in the framework of the EMS, that will give a further boost to investment by undertakings and be a definite relief for the national budgets. That is one positive effect which will benefit all the States.

We are aware that the margins for play in budgetary policy are very small and that at present there is no margin at all in many Community countries. Yet budgetary policy must help both to improve the supply conditions and temporarily support demand, for example by the restructuring of public revenue and expenditure, an area where there is still considerable room for action. But priority must be given to economically profitable public investment and to reducing taxes and social contributions payable by the national budget. The margins for action this requires must result from a

Pfeiffer

positive chain reaction: stronger growth and rising employment will lead to higher revenue and lower recession-based expenditure. So this budgetary policy is consistent with the aim of a medium-term consolidation of public finances. It is essential that each country use the existing or emergent margin for action at each step, in order to achieve favourable results rapidly.

The trend I have described is getting under way in Germany now. It could spread to Denmark, the Netherlands, France and the United Kingdom, and this could happen fast if the two sides of industry have a sufficiently constructive strategy to pursue. That would considerably improve the situation in the other countries.

The Commission's annual report on the economy and Parliament's motion for a resolution also agree on the areas where the Community must aim at more growth and employment: the motion for a resolution criticizes the fact that the Commission has not properly examined factors of insecurity in the international environment and set out no political alternatives. But may I assure you, the Commission did work through various hypotheses, but deliberately refrained from describing any disaster scenarios because basically that gets us no further. I share your committee's fears: we could be faced with a more difficult international economic situation. I can assure you that we are observing developments, and should the situation deteriorate, we would have to pursue the joint strategy even more keenly and, where appropriate, give priority to individual measures.

As for the other demand, that the Commission submit a strategy for reducing real interest rates, may I say that reducing real interest rates is, of course, desirable. It would be a great help to investment. But these rates do also depend on external factors which are very difficult for us to influence.

I have of course read the amendments with great interest, but it would take too long to go into them all in detail now. Just let me say that I would of course be glad if a very large majority in Parliament voted for the motion for a resolution. That would be very useful and would reinforce the Commission's position in the Council.

The cooperation growth strategy for creating more employment on which this report concentrates is a package of balanced measures to which everyone must take their contribution. The success of the strategy would be at risk if everyone just wanted to pick the raisins out of the cake. The strategy must be turned into reality step by step. One can discuss all the parts of the strategy but we must not and can not give up the fundamental principle of a social consensus and adequate contributions from *all* parties concerned. Let me say once again: The Commission needs Parliament's support. So it is very keen to see a large majority approving the framework concept. Obviously the

details have to be discussed and negotiated by those involved in any case. If you take this into account during the discussion and at the vote on the motion for a resolution, we shall have taken a big step forward.

(Applause)

IN THE CHAIR: Mr PFLIMLIN

President

President — Now that voting-time has arrived, the debate will be adjourned and resumed tomorrow after the votes on the budget.

Mr Klepsch (PPE). — *(DE)* Mr President, I have a question concerning tomorrow's agenda. I do not think we shall complete the voting tonight by 8 p.m. After the vote on the budget tomorrow, if that should be completed in time, shall we take the rest of the votes that we could not complete this evening?

President — For the moment, Mr Klepsch, we have only envisaged the votes on the budget, and it is difficult at the moment to foresee whether it will be possible to proceed to other votes after that. We shall see tomorrow what the situation is.

7. Votes

Report by Mr Brok, on behalf of the Committee on Youth, Culture, Education, Information and Sport, on a People's Europe (Doc. A 2-133/85)

IN THE CHAIR: Mrs PERY

Vice-President

Explanations of vote

Mr Rogalla (S). — *(DE)* We do not find easy to endorse Mr Brok's report on a people's Europe. We have nothing against his goals or the demands he makes. But we would like to take this opportunity to state in public that we, and especially we here in Parliament, have all done too little so far to convince our fellow-citizens that we are on the right road, milestones of which are the common abolition of all obstacles to the free movement of persons and recognition of diplomas from European neighbouring States.

Rogalla

Narrow-mindedness and particularism both mean too small, too little. In this Parliament we need more self-confidence, more guts and energy. It is because of our faint-heartedness that 13 or 14 million unemployed people in this Community still feel hopeless. Every head of State and government wants to be able to applaud himself as the only one who, all alone, achieved an upswing and managed to get the unemployed back to the workbench. But you know as well as I do that they can only, if ever, achieve it in cooperation with all the others. That is how they delude the people, and we look on without doing anything.

In what sort of a Europe do we find officials earnestly sniffing around with computers at internal borders instead of joining forces to combat terrorism, crimes and the international drug trade: national stagnation instead of cooperation. Nationalism is the pretext for avoiding the economic revolution, as Proudhon already knew. The economic revolution we want in a people's Europe must create a job again for every unemployed worker in the Community. We can only do that together. Unfortunately, there are some forces in Europe who do not regard that as the most important task of all. We must persuade them.

A third point. The Fontainebleau arrangements are still not worth the paper they are written on, nor is the report on a people's Europe. There is still time to improve and implement these ideas as we want. But if we are to do so we must first strengthen the authority of the heads of State and government and require of them that they choose the European Parliament, which they after all appointed by direct election, as the source of their opinions, and give it formal powers too. Only when we can declare that our busy sittings and our resolutions and debates serve directly to preserve peace for all our people can we fulfil our task. Only if our Parliament, the only active, regional organization for peace in the world, becomes an inspiration to the people of Europe, will we be worth anything.

And so, to conclude, I give you Romain Rolland: any country that shuts itself off today is condemned to death. But we all want to live, to work and to enjoy in a climate of competition. Why should the European cup be restricted to football?

Mr Le Chevallier (DR). — (FR) Madam President, the Group of the European Right will vote against the entire Brok report on a people's Europe.

In fact, this ambitious title only covers a certain number of insignificant gadgets and does not touch at all upon the fundamental, worrying problems confronting Europe and its people — unemployment, a falling birth rate, emigration, the absence of a defence policy, for want of saying the absence of a policy.

Europe, half of which is under the military rule of the Soviet Union, is threatened by its policy of military

hegemony and is incapable of defining an autonomous military doctrine which allows it to play an active part in the Atlantic Alliance.

What Europeans call the crisis, which is nothing but the loss of Europe's industrial monopoly, succeeded in depriving 13 million workers of their jobs. Not a word is mentioned in the report of young people who are left to stagnate on leaving school.

At the same time, demographic curves are falling; if the trend is not reversed, an accumulated ageing of our peoples and an undoubted loss of our vitality will ensue.

In conjunction with this, the numbers of non-European immigrants continue to increase on account of the galloping population increase of the Third World countries. This is already giving rise to serious tension in certain countries, which will increase under renewed pressure. Preaching humanitarian sermons and good intentions will not appease them.

Admittedly, we find it difficult to understand the hypocritical positions and double-talk of many parties who, in France, condemn emigration and here condone it.

If Europe is to live and even to survive, it must stand up for its identity achieved throughout centuries of history. Europe will be European or it will not exist any longer!

(Applause from the benches of the Group of the European Right)

Mr C. Beazley (ED). — I shall be voting in favour of this report, although I cannot agree with the important paragraph 15 about proportional representation. There are many MEPs elected by that system not present here. There are many who represent individual constituents, and I believe that the system whereby an individual constituent has direct contact with an individual MEP is best. I therefore cannot support that.

What is more important, however, in regard to paragraph 28 — the encouragement of curriculum reform and textbooks — it is about time that educational authorities throughout the Community really took this seriously. I would like to congratulate the Irish, French, Germans and Italians, and I would like to encourage the British educational authorities to update their system so that schoolchildren can really understand not what their parents were taught in schools but what is going to be necessary to them in the future. In other words, an understanding of Britain's position in Europe.

My final observation is that throughout the voting the British Socialists have ignored the Socialist whip. I am happy to join with European Socialists. I believe in a

C. Beazley

people's Europe. I am sorry that the only major group here which does not believe in either Europe or the people is the British Socialists — once again.

Mr Pearce (ED). — I shall vote for this resolution, but with some reservations. I tried to persuade the House a moment ago not to compromise the work of the committee of inquiry on drugs by preempting what it should say and what it should do. I also think it wrong to call upon the Commission to advise on whether we want a directive or not. I think that is something that we shall decide in this Parliament, and we will tell the Commission what it ought to be doing.

I also have doubts about the wisdom of the drug section — paragraph 58 — on the grounds that in it is a quite inadequate mention of the worst problem affecting European society today. Drugs are a cruel problem and should feature more prominently than in a position parallel with stuff about flags and anthems, which are really the trivia of politics. Drugs are also a problem about young people, about whom we do not seem to talk very much in this Parliament, and it is a problem of today rather than a problem of yesterday.

Therefore, it is only with reluctance that I shall vote for this report.

Mr McMahon (S). — Mr Brok has done a great deal of work on this report, and despite what Beazley minor has said — I think he has been asleep during the debate — we have managed to get certain amendments in, very constructive amendments tabled by the British Labour group. We are in favour of tackling the problems of poverty and unemployment which his party is creating and which many other people in Europe are spreading by adopting the disastrous policies pursued by his party in the United Kingdom.

The report has got to be relevant, it has to be realistic. There is a great deal in the report which is not relevant to the people of Europe. There are 15 million people in Europe unemployed, 40% of them under 25. If this institution is to mean any thing to the people of Europe, it must produce policies and measures to attack their problems. This it has singularly failed to do.

This is the reason for the poor turnout at the European elections. It has nothing to do with the electoral system. It has nothing to do with the fact that we do not have a common electoral system in the EEC. It is due to the fact that the EEC has singularly failed to tackle the problems of the people of Europe. That is why, despite many of the excellent things which Mr Brok has put in the report, things which we as Socialists do not object to — the interchange of youngsters from school and so on, youth travelling across Europe and meeting youth from other countries and discussing problems — we are in a difficult situation and we

shall have to oppose parts of this report when it comes to the final vote.

The question of curriculum reform is another issue raised by Beazley minor. This is not the reason for the poor turnout. The reason is that we have not got to the root of the problems of the people of Europe.

(Applause from the left)

Mr Cottrell (ED). — I think it is a source of some shame and pity that this vote has to take place at all. Thirty years after the great work of building Europe began, here we are still talking about a 'people's Europe'. It is a Europe, if this report is to be believed, which is composed of symbols. Mr Brok, whose work I greatly respect — it contains many eminently sensible proposals — is, however, making a grave mistake if he thinks that simply having common signs at frontiers or postage stamps will bring this Europe home to the people.

The fact is that what we have built here is a farmers' Europe, on which we spend 70% of our budget. As Mr Bob Geldof reminded us the other day, an uncaring Europe, because the symbol that people see is vast piles of unsold food for which there was no market in the first place! Members of this Parliament must bear their share of responsibility for that, because this Parliament consistently votes more for agricultural price increases than the Commission itself proposes.

Those are the kinds of symbols which worry and bother the people of Europe. They could be put right, and there could be a European Community which had no need of all the ideas which Mr Brok has put forward in his well-intentioned proposals. What I would say is this: one swallow does not make a summer. One swallow of clean drinking-water will not conceal from the people of Europe the fact that the report is no more than an attempt to paper over the fissures and cracks in our growing failure to address ourselves to the real problems of this Community.

Mr Elliot (S). — I fear I must oppose this report for two reasons. Firstly, it is very largely irrelevant to the real problems that face the 'people of Europe'. It purports to be a report about a 'people's Europe'. The people that I represent couldn't care two pins about a common European flag or a European postage stamp or a common European anthem. What they are concerned about are the very issues that this Community is just not tackling: they are concerned about unemployment, bad housing, poverty and deprivation in our older cities.

These issues are being largely ignored by this Community, and whilst the Community takes that attitude the people of Europe will, to a large extent, ignore voting in the elections. We have to get to grips with the really serious problems, not with the trivia.

Elliot

The other reason why I have to oppose this report is this. To be fair to Mr Brok, it does, in its very wide sweep, contain some acceptable proposals: I am all in favour of extending the young workers' exchange scheme; I am all in favour of more broadening of the curriculum in our schools in many respects. But it contains many proposals that I find quite unacceptable — some of them I have mentioned. I must say that I can in no way vote for a report that would try and impose a common electoral system on the Community. We in Britain are convinced that our system of election is the one that we should remain loyal to. We believe in it. We do not want to impose it on anybody else, but we believe that we should have the right to retain it.

There are too many things in this report for me to accept, and I must oppose it.

Mr Newman (S). — My point of order, Madam President, is that there must have been, during the last few contributions in this hemicycle, about 150 very loud conversations — and I can shout as well — which shows the farce of people's concern about the so-called people's Europe — a farce itself!

(Interruptions)

I suggest that if people are serious they should listen to their colleagues when they are trying to make contributions.

(Mixed reactions)

Mr Bocklet (PPE), in writing. — *(DE)* I am voting in favour of the report on a people's Europe because I can endorse the majority of the requests made in it. May I, however, state emphatically that I cannot endorse the call for full participation by nationals of other Member States in local affairs as long as local competences diverge so widely in the individual States. Rejecting the idea of nationals of other Member States voting or standing in local elections does not mean that I am not in favour of nationals of other Member States having full rights of participation in local affairs below the level of local elections. Comparability of situations in the various Member States must be the precondition for conferring the same rights on nationals of other Member States.

Mrs Cassanmagnago Cerretti (PPE), in writing. — *(IT)* Today's debate has shown once again the extreme, urgent need for an authentic people's Europe, without bureaucracy and without frontiers, in which ideas, cultures, persons, goods and services can move around freely.

These are some of the most incisive aspects of the building of Europe for which we are incessantly working in our institutions.

The work of the Adonnino Committee has had the merit of showing the main obstacles that lie in the way of a truly European Community, and also provides a definite spur to Member States to make it possible for the citizens of Europe to use the Community patrimony in a concrete way.

In this connection the Commission's proposal for a directive on a general system for the recognition of diplomas and vocational qualifications is very important. At last, after the repeated insistence of this Parliament, the inconceivable system of sectoral recognition has been abandoned — a system which over so many years of the European Community's life has yielded so little fruit (a score of directives for a few professional categories) — and been replaced by a horizontal, more modern, quick, pragmatic system of equivalence of diplomas at European level.

As Commissioner Ripa di Meana said, Parliament quickly formed its own opinion: we can only hope that the Council of Ministers will move as quickly, adopting a directive which cannot wait any longer.

With reference, on the other hand, to the question of the right of Community citizens to vote, it must be remembered that Parliament has long awaited a proposal on this question from the Commission.

During the debate on emigration policy last May we emphasized the importance of according all the main civil and political rights to migrant workers in the Member States of the Community. The granting of the right to stand and vote to citizens of Member States residing in a Member State other than their own, so that they can be considered fully-fledged Community citizens, cannot be postponed any longer. We are referring to those European citizens who, in the legitimate exercise of the freedom of movement and establishment that was provided for in the Treaties, have contributed with their work, their patient work, often under difficult conditions, to the wellbeing and economic development of other European countries.

It is inconceivable to exclude these citizens from the civilian and political life of the host countries, and for that reason we ask that the right to vote and stand, at least at local government elections and elections to the European Parliament, be immediately accorded to them. The Europe that we wish to build is not only the Europe of the internal market — it is also the Europe of justice and participation.

(Parliament adopted the resolution)¹

President. — Ladies and gentlemen, there are considerable difficulties about the way we are to continue

¹ The rapporteur spoke *in favour* of Amendments Nos 1, 3, 4, 6, 11, 12, 35 (first part), 44, 45, 48, 50, 51, 56, 57 and 65, and *against* Amendments Nos 2, 5, 7 to 10, 13 to 28, 30 to 35 (second part), 36 to 38, 41 to 43, 46, 49, 52, 55, 58, 59 and 61 to 64.

President

our work. We have tomorrow the vote on the budget, with 700 amendments, and the Bureau considers that for this we shall need six hours. At the moment, we have a number of reports with more than 350 amendments. The situation is therefore clear: either we continue the sitting until 9 p.m. this evening so as to have

one more report behind us, or we take the remaining votes after the budget tomorrow, or we take all of them on Friday morning.

(Parliament rejected the proposal to continue with the voting until 9 p.m. The sitting closed at 8.20 p.m.)¹

¹ For the next sitting's agenda, see Minutes.

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IN THE CHAIR: MR PFLIMLIN

President

(The sitting was opened at 10.05 a.m.)¹

1. 1986 BUDGET — VOTES

DRAFT AMENDMENTS AND PROPOSALS FOR MODIFICATIONS TO THE DRAFT GENERAL BUDGET OF THE EUROPEAN COMMUNITIES FOR THE FINANCIAL YEAR 1986

Mr Cot (S), *chairman of the Committee on Budgets.* — (FR) Mr President, at its meeting on 11 November 1985 the Committee on Budgets adopted the motion for a resolution on the draft budget of the Communities and, under Item 2, Parliament's position regarding the classification of the budget headings for compulsory and non-compulsory expenditure was confirmed.

I should like to point out first of all that, with regard to the proposals that were approved by the Committee on Budgets but which posed a problem when it came to classification, the rapporteur obtained the consent of the authors to change these proposals for modifications into draft amendments.

Having said that, I should now like you to agree to the change of these proposals into draft amendments, in

accordance with the usual policy of this Parliament. The following proposals for modifications are involved, and I shall simply give the numbers in order not to bore Members: Nos 46, 47, 400, 44, 472, 14/rev., 155, 15, 17, 482, 422, 74, 18/corr., 161, 167, 484/corr., 591, 158, 592, 545, 160, 550, 58, 59, 215, 118, 582, 138, 549 and 590.

As I said, Mr President, the Committee on Budgets recommends that these proposals for modifications be regarded as draft amendments and that the House act accordingly with regard to the majority needed to adopt them.

President. — The Chair endorses the proposal by the Committee on Budgets.

I must also announce that I have received from Mr Tomlinson and others a motion for a resolution on the rejection of the draft general budget of the European Communities for the financial year 1986, which I shall now put to the vote.

(Parliament rejected the motion for a resolution)

IN THE CHAIR: MRS PERY

Vice-President

SECTION III — COMMISSION

PART B — TITLE 3

¹ *Approval of minutes — Referral to committee: see Minutes.*

Draft amendment No 640

Mr Christodoulou (PPE), general rapporteur. — (GR) Madam President, I should like to draw Parliament's attention to this amendment by the Committee on Budgets. It is intended to cover the 1 598 million ECU, which is the cost of past commitments and the cost of enlargement, i.e. exceptional and non-recurrent budget expenditure. This amendment is very important because it actually reflects Parliament's fundamental policy on a complete 1986 budget.

I should also like to stress that with this amendment by the Committee on Budgets only 50% of the real cost of past commitments is covered, while expenditure both on enlargement and on making up for under-budgeting in 1985 is fully covered.

I should also like to take this opportunity, Madam President, to point out that the amount in this amendment is the minimum which will permit the structural funds to operate properly next year.

*PART B — TITLE 6**Item 6600 — Draft amendment No 182*

Mr Christodoulou (PPE), general rapporteur. — (GR) Madam President, the Committee on Budgets voted to delete the items contained in this amendment for a total of 1 370 000 ECU. May I recommend that Parliament vote against this amendment, since the Committee on Budgets has asked the rapporteur to table amendments to items 6615, 6616, 6617 and 6632, the amounts for which will cover this item, i.e. will amount to the same 1 370 000 ECU. The amendments I am referring to are Nos 611, 612, 613 and 606. If we proceed in this way, we shall find further on the items covered by these amendments.

*PART B — TITLE 6**Item 6614 — Draft amendment No 186*

President. — Amendment No 186 is inadmissible.

Mr von der Vring (S). — (DE) Madam President, I understood the rapporteur to have changed his vote on behalf of the Committee on Budgets and Item 6614 must therefore be voted on. My group assumes that it will be voted on.

President. — It was my understanding that there was some kind of agreement, but the fact that there is not

does not alter the fact that Amendment No 186 is inadmissible.

*PART B — TITLE 8**Article 862 (new) — Draft amendments Nos 446 and 447*

Mr Klepsch (PPE). — (DE) Madam President, I propose that that the sitting be adjourned for two hours.

(Applause)

President. — Ladies and gentlemen, I put Mr Klepsch's proposal to the vote.

(Parliament agreed to the proposal — the sitting was suspended at 12.50 p.m. and resumed at 3 p.m.)

IN THE CHAIR: LADY ELLES

Vice-President

Mr Langes (PPE). — (DE) Madam President, there was an oversight in dealing with the Parliament budget this morning. The Group of the European People's Party had written to the Bureau that Amendment No 599 concerning 150 000 ECU in the Parliament budget was to be withdrawn. Unfortunately this was not done and we approved 150 000 ECU twice. This was of course not the idea of the House. I should belatedly like to point out that we have withdrawn the amendment.

*PART B — TITLE 10**Chapter 100*

Mr Christodoulou (PPE), general rapporteur. — (GR) Madam President, I should like to ask Parliament to adopt two compromise amendments seeking to cover most of the remainder of Parliament's margin.

I therefore propose that we add 2 500 000 ECU to Chapter 100 for use in Article 951, and another 2 500 000 ECU to Chapter 100 for use in Title 7, i.e. technology and energy. Unless there are any objections, I should like to ask Parliament to adopt these two amendments.

(Parliament adopted both amendments)

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Report (Doc. A2-147/85), drawn up by Mr Louwes on behalf of the Committee on Budgets, on the draft general budget for 1986 — Section I — Parliament

Explanation of vote

Mr Croux (PPE), in writing. — (NL) It is important that we get as quickly as possible a uniform set of regulations for the Members of this Parliament in line with the criteria which I briefly summarized last year. I am aware that the Council has now taken this problem in hand. In the meantime I do not think that there is any point in taking piecemeal measures while awaiting uniform and overall regulations.

(Parliament adopted the resolution)

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Report (Doc. A2-148/85), drawn up by Mr Louwes on behalf of the Committee on Budgets, on the draft budget for 1986 — Section II, Annex 'Economic and Social Committee' — Section IV 'Court of Justice' — Section V 'Court of Auditors': adopted

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Report (Doc. A2-140/85), drawn up by Mr Christodoulou on behalf of the Committee on Budgets, on the draft general budget of the European Communities for the financial year 1986 — Section III — Commission (Doc. C2-100/85)

After the vote on all the amendments

Mr Cot (S), chairman of the Committee on Budgets. — (FR) I would like to make a statement at this stage. The Council made its views known via its President on Tuesday, 12 November; Parliament has just replied, today, through its votes at the first reading of the 1986 budget, and in particular through the vote on the chief amendment, for which — I would remind you — the voting was 327 for with 7 abstentions, out of 334 votes.

We have been hampered in the discharge of our responsibilities by the lack of a complete first reading by the Council. I would hope that in future the Council will show greater respect for the letter and spirit of the Treaty of Rome, in the justified interest of Parliament's rights, but also — and in particular — in order that the dialogue between the two arms of the budgetary authority might take place in good time and on a sound basis.

The Council Presidency has expressed the wish that Parliament respect the maximum rate of 7.1% in its deliberations. We believe that such a course is impossi-

ble because it is irresponsible. This maximum rate is calculated on the basis of a Community of 10 Member States, although the 1986 budget covers 12 Member States, and we believe it is vital for the budget to take account of this reality. I do not understand how people can submit to us fallacious percentage increases for budgetary expenditure which do not allow for the corresponding increase in receipts from the new Member States and the need to honour the cost of the past, a need recognized by the Council in its own deliberations.

The budget figure we have just adopted at first reading takes account here of the strict minimum considered indispensable by the Commission of the European Communities. Parliament has demonstrated restraint in use of its margin. Despite the change in circumstances it did not debate the figure of 217.7 million ECU calculated by the Commission. Neither has it used this sum in its entirety in view of the current budget difficulties. Finally, if we agree to tackle the current situation jointly, Parliament proposes to reduce this margin for the next budget by having the 1986 base exclude non-compulsory expenditure and the appropriations needed to settle commitments entered into before 1986, with the exception, of course, of those arising from under-budgeting in 1985.

I regret that the Council Presidency has not formally acknowledged our restraint on this and thought it necessary, on the contrary, to comment in an unnecessarily offensive manner on the way we have used these appropriations to achieve the aims set out during our policy debate last spring. On the eve of the second reading I would appeal to the wisdom and sense of responsibility of both sides. We must now make up for lost time in getting the budget dialogue under way. We are approaching the second stage of this dialogue, and in a spirit of trust and open-mindedness I hope the Council will read the text of the resolution we have just adopted, and its penultimate paragraph in particular, without any mental reservations. Our position is no rigidly fixed in the framework of the budgetary to-and-fro, but we will not let the Community ignore the commitments it has clearly entered into, and this also applies to its financial credibility and its political ethics. I will never understand how we can be reproached for scrupulously making sure throughout the whole budget procedure that these things are adhered to.

Although dialogue requires open minds it does not rule out firmness. I hope the Council understands us well, because it would be wrong to bank on our divisions and weaknesses. We know how to defend the well-understood interests of our Community on this score. We hope that with the Commission's assistance we will manage to convince our interlocutors at the Council of this. It is in this spirit that we shall discharge our responsibilities in the weeks to come.

(Applause)

Explanations of vote

Mr Tomlinson (S). — I and my British Labour colleagues voted to reject the 1986 draft budget at the very outset of this morning's proceedings. We meet at a time when Parliament seems to have an obsessive preoccupation with its demands for more powers. Yet, by its gutless reaction to the gross provocation by the Council...

(Applause from the Socialist benches)

... it has shown an inability to use its existing powers effectively and, I believe, has ruled itself out of many people's reckoning when discussions on additional powers take place within the framework of discussions on inter-institutional arrangements.

Parliament has remained supine before the Council and has approved a draft budget with marginal improvements when it should have taken its courage in its hands and thrown it back in the face of the Council! We have approved today by our amendments a budget which still spends 70% of the resources of the citizens of Europe on a wasteful agricultural policy and does not address itself to the real needs of our citizens! We speak about a citizens' Europe, a people's Europe, and yet we still continue to build a farmers' Europe while ignoring the needs of the unemployed!

I and my colleagues will resolutely vote against the Christodoulou motion for a resolution and serve notice on the Council that if it continues to treat this Parliament in the disgraceful way they have, the reaction at second reading and on future occasions will be stronger because it will be joined by other Members of this Parliament who realize that they are throwing their powers away at a time when they are demanding more!

Mr Bonde (ARC). — (DA) Madam President, the budget that has been adopted today represents a new record in illegality. Never before has Parliament exceeded its margins by so much. We now find ourselves in the middle of a new war between the Institutions, and institutional warfare is evidently the activity the majority prefers to spend its time on. I hope that those sitting on the Council's benches will diligently report back to their capitals and draw their conclusions from Parliament's illegal acts when their representatives meet at the European Summit in Luxembourg on 2 and 3 December. Say no to any transfer of new powers to Parliament, for whatever new powers are conceded, this House is certain to use them to create fresh conflicts and institutional warfare!

The Danish People's Movement against Membership of the European Community refuses to take part in this warring between the Institutions, so we therefore feel obliged to vote against the entire report.

Mr Alavanos (COM). — (GR) I should like to start by saying how pleased we are that Parliament has adopted the amendments tabled by the Members from the Greek Communist Party and our French colleagues on the freezing of aid to Turkey. Indeed, this year the Council must comply with this wish of the European Parliament.

As regards the budget as a whole, I think that, despite the spirit of conflict between the European Parliament and the Council, the changes adopted by Parliament have been marginal and do not alter the nature of the budget, which is a budget of financial discipline and austerity and which also fails to meet the Community's commitments to Greece, whether on the amount allocated to the Mediterranean programmes, the Community funding of the Greek five-year development programme or a number of other matters.

For this reason and in view of the balance of payments crisis which Greece is faced with, its large external debt, the hundreds of thousands of unemployed in Greece, the closure of small and medium-sized enterprises and the fact that a decisive factor contributing to all this is Greece's continued membership of the EEC, the representatives of the Greek Communist Party will not be voting for the report by the Committee on Budgets.

Mrs Scrivener (L). — (FR) This general amendment, which forms the cornerstone of this budget and which has been accepted virtually unanimously with seven abstentions, reflects the will of this House to have a budget that covers the commitments made.

We must now turn our attention to the Council and hope that it takes account of the consensus shown by Parliament during this vote.

(Applause)

Mr Ulburghs (NI). — (NL) We have started out from the wrong argument: 'Let us produce as much as possible at the expense mainly of the poor, the environment and employment' in the naive assumption that crumbs will fall to the poor from the table of the rich. But this was a mistake. There are virtually no crumbs left and the army of the poor is growing. Never before in Europe have there been so many unemployed, redundant mine workers, jobless youth, pensioners and cutbacks in social security.

I also strongly deplore the fact that Europe is dismantling its own mining industry in favour of nuclear energy, which is of questionable benefit and hostile to the environment. 3 500 miners are being made redundant today in Belgium, in Limburg, in Winterslag, and tomorrow the figure may be 10 000. I also regret that not enough aid is given to meet the real needs of the developing countries. A budget worthy of Europe must in my view take the poor as its starting point. I

Ulburghs

shall not approve this budget, I shall abstain.

Mr Sutra de Germa (S). — (FR) Many questions will be asked about what exactly Parliament's rights were. Have they been exceeded? Yes, but since our duty was greater than our rights today, our duty was to shoulder the budgetary responsibility which stems from our political commitments.

I also want to thank the European Parliament on behalf of the region I come from. Everyone knows that enlargement towards the South is posing problems for Europe's Mediterranean regions. It was necessary at least to tackle the job. Parliament has shouldered the responsibility.

Turning to the Council, I want to say that a unanimous vote such as this morning's vote on the main amendment is a political statement which should be perfectly clear to the Council. If it wants to avoid a conflict between institutions, it should remember that the European Parliament was unanimous in its vote.

Mrs Castle (S). — British Labour Members will vote against this motion as we voted against the budget this morning. We vote against the motion because it fails to face the logic of Mr Christodoulou's own report. It is quite a good report in many ways, because he admits that agricultural spending is out of control, that once again non-compulsory expenditure is to be squeezed and that we shall be forced into another supplementary budget, despite the amendments that we have made such a show about during the voting today.

Yet, neither the Council nor the Commission nor even this Parliament ever does anything about it! This Parliament today has thrown away the opportunity I gave it in Amendment No 449 to vote against the mounting folly of the export refunds, which take up in 1985, as in 1984, over one-third of all our agricultural spending. By rejecting Amendment No 449, what this Parliament has done today is to vote for spending 50% more in 1986 on the export refunds for cereals than it did in 1985 or 1984: 50 % more, and we are supposed to be doing something about these massive cereals surpluses! What Parliament knows in its heart of hearts is that those surpluses will go mounting up under current policy; only this Parliament doesn't care! This motion throws away the opportunity to denounce the total failure to reform what is really wrong with our budget, which is the excesses of the agricultural policy.

That is why we reject the motion, just as we did this inadequate and cowardly budget!

Mr Cryer (S). — I came here not to raise and lower my hands 700 times in this orgy of voting that is the principal activity of this Assembly, but to exchange ideas. I can recall that a few weeks ago Bob Geldof had a much-fêted visit. He was given a gold medal,

whatever that is, and he described what this Assembly has voted for today as the 'crowning idiocy of the Common Market'. He was talking about the food mountains. Let me remind you again that 70 % and more of this budget that is so complacently approved by so many in this place goes on the food mountains!

In 1986, 2.4 billion pounds will be spent simply on storing the food. In 1984, it was a mere 1.69 billion pounds! Nobody can be complacent in such circumstances, especially when the Social Fund receives a poverty-stricken 4% — the Social Fund which helps to provide training schemes for the young unemployed. We do not accept that sort of priority in the British Labour Group, and, of course, we shall be voting against it. The message from this place must be that the only way the United Kingdom can get out of this spendthrift expenditure is to get out of the Common Market, and the sooner the better!

(Mixed reactions)

Mr Curry (ED). — There have been times enough in the past when my group has felt affronted and injured by budgetary decisions made by this House. This year, we are happy to be part of the overwhelming consensus which believes that if this Parliament is to mean anything, it must put forward constructive responses to a growing and persistent irresponsibility on the part of the Council. We cannot make politics by this curious combination of *Alice in Wonderland* and *Kafka* that the Council seems to have indulged in.

Of course, we could have replied in kind, of course we could have thrown out the budget, of course we could have made life difficult, but all we should have done then would be actually to seal the Council in the hole it had dug for itself. But we are not here to play games between the institutions; we are not here to play guerrilla warfare with the Council. We are actually thinking of our own citizens who have rights and obligations which we seek to honour, and we bear in mind that we shall shortly have new citizens whose rights and obligations we have undertaken to honour. If we do not honour things to which we have agreed, then we are not worthy to stand up as parliamentarians of any sort in any assembly and put our hand on our heart and declare that we do represent the electorate.

Therefore, we are voting for this report. We recognize that it has imperfections. We believe that in the commitments we have gone too high. We hope we shall have the opportunity to reduce those at the second reading. We do not deny that we have certain responsibilities to learn as well; but we do believe that we have a fundamental and primordial responsibility, and that is to try and make the Community work. We believe that undertakings which are made and promises which are given and negotiations which take place have to be honoured when the bills come due, and they cannot simply be honoured in the rhetoric and

Curry

the champagne glasses when the agreements are signed! That is our fundamental principle.

I will leave this Parliament to judge what works best — the futile rhetoric of my Labour colleagues, some of whom were actually playing with silly little toys during the voting, or the attempt by my group to play a constructive and full rôle in the development of the Community to which we belong, for which the people voted. The government which supports it will be maintained in the United Kingdom, because we have shown often enough that the silly nonsense which comes out of the archaeological past of the United Kingdom, represented by my colleagues who feel the need to have their own voting whip just in case they might be contaminated by any of their colleagues — that we repudiate wholly.

Therefore, it is with considerable relief and pleasure that we associate ourselves with the actions of this House and look forward in the second reading to playing an equally constructive rôle.

(Applause)

Mr Barrett (RDE), in writing. — This House has emphatically rejected the Council's miserly proposals for regional expenditure.

Our message to the Council is clear:

- Spain and Portugal must receive adequate funding for regional policy;
- disadvantaged regions of the present Community must receive real term increases in Regional Fund allocations;
- the undermining of the structural funds is in no way tolerable.

Progress must be achieved on these points.

In my speech here on Tuesday I criticized the Council's failure to support our demands for a doubling in real terms of ERDF resources over five years from 1983 and called for the creation of a Regional Fund with real economic muscle to offset the immense regional disparities which exist in the Community. Community cohesion and economic convergence will never be achieved in the absence of political will to redress such imbalances.

I can only marvel at the Council's hypocrisy in this phase of European expansion. Do they think they can build European castles out of air or will they acknowledge the costs of European construction by accepting the case for an effective regional policy in both the south *and the north* of the Community?

That is *the* question of the 1986 budget.

Mrs Boot (PPE), in writing. — (NL) Madam President, I shall vote for the final resolution on the budget. Parliament has achieved results after a good discussion. However, I feel moved to make one comment on having heard praise a moment ago for the Commissioner responsible for the budget. For during the vote it struck me that amendments No 309 and 585 could not be voted on because they failed to obtain even three votes in the Committee on Budgets. Both amendments called for additional staff posts in the Commission's establishment plan for tasks in the field of regional policy and coordination of regional planning. Why were these proposals not supported in the Committee on Budgets? The reason is that the Commissioner responsible for the budget and for staff policy said these posts were not required, going so far as to say he did not know what to do with them.

I fear that the Commissioner is ignoring the great problems that are rapidly looming up: the regional policy departments in the Commission are well aware of the dimensions of regional policy in terms of urban problems and questions of regional planning at European level, but really does need manpower to tackle these matters on a permanent basis. What a pity that the Commissioner is also ignoring the well-formulated requests of the Committee on Regional Policy and Regional Planning.

Mr Hindley (S), in writing. — I shall be voting against the Budget this year, as I did last year, and for the same reasons.

Despite the many worthy attempts by this Parliament to realign the Budget, it remains a Budget of massive and unacceptable discrepancies in spending: discrepancies most tragically highlighted by the contrast of the ever-increasing stockpiles of food whilst two-thirds of the world goes hungry.

Practically, the only impression of the Common Market which the people of my home constituency, Lancashire East, have — and it is an accurate impression — is of a Frankenstein bureaucracy unable and ultimately unwilling to respond to the heart-rending appeal of those terrible visions of famine in North Africa.

The Common Market, and its apologists, prefer subsidizing to the hilt the overproduction of food to making a significant contributions towards developing food self-sufficiency in the Third World. That is the crux of the matter; it is a straightforward either/or issue.

Either you continue to pay Western farmers to produce food in such volume as can never be consumed or you use the money instead to develop agricultural expertise and facilities in famine stricken countries.

The Common Market prefers to provide already rich farmers with wall-to-wall subsidies: the Labour Party

Hindley

prefers to feed the world, as I am sure the warm-hearted people of my area do as well, as has been testified by their magnificent contributions to alleviate famine in Ethiopia.

But good will on the part of ordinary people is insufficient; the Common Market must respond to the real world. Until it does, I shall continue to vote against the Budget.

Mr Martin (S), in writing. — I shall be voting against the budget. Although the amendments passed by Parliament have improved on the Council's efforts, we still have a long way to go: over 70 % of the budget for agriculture; crumbs for the Social Fund, the Regional Fund and for development.

This Community has once again elevated the greed of the EEC's 8 million farmers above the needs of its 15 million unemployed and its oft-stated concern for the desperate plight of the world's starving.

The British Labour Group will continue its fight for genuine reform of the common agricultural policy. In the meantime, we will not vote funds for a policy which goes on blindly encouraging the production of food to add to the mountains and lakes of agricultural produce to be found in every Member State of this Community. Our attitude might be different if the CAP actually provided cheap food for the citizens of Europe, but of course it does the opposite! It is estimated that the CAP leaves the average UK family £ 8 a week worse off because of higher food-prices. What sort of food policy is it that leaves the low-paid, the elderly and now wage earners poorer through the subsidies it provides for growing food?

Our attitude to the CAP might be different if it helped to feed the starving. But in reality it actually damages efforts by African countries to grow their own food.

The money available to the Community through the own resources of 1.4% will never, on its own, be sufficient to solve unemployment within Europe or hunger in the Third World, but within this limit we could and should do much more to tackle these problems.

A budget which devotes 70% of its resources to producing surplus food does nothing for the unemployed. It harms Europe's poor and damages Third World economies. I will never vote for such a budget.

Mr Pranchère (COM), in writing. — (FR) The 1986 Community budget dovetails with the main thrust of the Commission's Green Paper aimed at freezing agricultural prices during the next agricultural season and maintaining heavy-handed production curbs in many sectors. Despite its being approved by the Committee on Agriculture, the majority in this House rejected our proposal to set up a reserve within the EAGGF to

finance a justified increase in agricultural prices for 1986-87, a reserve of 600 million ECU based on taxing vegetable fats.

We believe that it is possible to bring agricultural expenditure under control, but only if those really responsible for increasing it are penalized. This was the purpose of our amendment on varying the co-responsibility levy in the dairy sector, which would make it possible to spare the small producers and tax the 'milk factories'. The House did not agree with us, deciding instead to transfer some of the agricultural expenditure appropriations to pay for new common policies. We cannot accept Europe being built on the backs of the farmers.

Nevertheless, we are happy that the House adopted those amendments, of ours which might help remedy the difficulties experienced by stock farmers, which envisage a 26% increase in the suckler cow premium, reducing beef stocks through distribution to disadvantaged social sectors, the inclusion of preserved beef and veal in food aid, and renegotiation of the sheep regulation to include an end to the privileges accorded to the United Kingdom.

However, these positive points are not enough to modify our general evaluation of the Christodoulou resolution, which endorses enlargement and the 1 600 million ECU reduction in the British contribution. In addition, since the Committee on Agriculture's amendment rejecting 'budget discipline' has been adopted, we will abstain on the final resolution.

Mr Christodoulou (PPE), general rapporteur. — (GR) Madam President, I do not wish to give an explanation of vote but would simply like to thank all the Members for all their efforts, and especially the coordinators of the political groups, without whose patience and understanding we would not have managed to arrive at this result which demonstrates Parliament's efficiency and sense of responsibility.

I should also like to thank all the staff of the Committees, the technical staff, the interpreters and all those who have performed this difficult task with skill and enthusiasm.

(Applause)

Mr Maher (L). — Madam President, I think we might acknowledge the fact that the Commissioner responsible for the budget has sat right through the voting all day. This is a bit unusual and I think is an indication of his interest in the work of this Parliament.

(Applause)

President. — I think it falls to me on behalf of the House to thank the Commissioner for his cooperation

President

and I think the House would wish me to thank Mr Christodoulou as rapporteur for the valiant work he has done in bringing this budget to a successful conclusion.

(Applause)

May I also join him in thanking the staff who have prepared all the documents so excellently and have greatly assisted us in our task. Thank you very much.

(Parliament adopted the resolution)^{1,2}

2. Economic situation (annual report) (continuation)

President. — The next item is the continuation of the Visser report (Doc. A2-142/85) on the economic situation in the Community.³

Mr Besse (S). — *(FR)* Madam President, the Commission report on the Community's economic situation in 1986 is based on a strategy of growth and hinged on employment. The main theme of the report is, this year, undeniably in keeping with the wishes of the great majority in this Parliament in view of the problems of unemployment facing us. It should therefore be approved, although one could clearly take issue with certain points in the Commission's analysis of how to implement this strategy.

Unfortunately, the report by Mr Visser now before us, no doubt for procedural reasons and following the amendments introduced to it in Committee, far from enriching the Commission's reflections by new proposals, appears to lag behind on several points. In this connection I would like to underline three areas in which, I feel a different kind of equilibrium must be sought: the problem of demand, that of investment and the problem of reorganization and reduction of working time.

Stimulating demand is a must. Priority should be given to spending on infrastructure, training and technological research in the Community. On the other hand, to think, as certain people do, that reducing taxes and modifying the methods of financing the welfare system — which would weaken it, weaken the benefits — would stimulate economic recovery, appears quite unacceptable to us. And yet, these proposals have not been completely ruled out in the report before us. It is just not enough to say 'the principles of the welfare system that has been built up in Europe must not be

affected'. Of course, taxation should be adjusted in cases where it can be reduced, especially where company funds are ploughed back into the firm. But taxation must also continue to be an instrument of solidarity, which is more indispensable than ever during a period of economic recession.

As for the social benefits resulting from the welfare system, apart from being vital for some people, they also play a stimulating macroeconomic role, which is essential and also consistent with a desire to stimulate demand.

Secondly, we must stimulate investment: public investment and private investment, for SMEs in particular. But such investments, which are productivity and competitiveness factors, must not lead to new reductions in employment, and this aspect is not brought out enough in the report. In actual fact the rapporteur's proposals on reorganizing and reducing working time have been whittled away to nothing in Committee through various amendments.

Thirdly, reorganization and reduction of working time! It seems to me to be going a bit too far to make wage restraint the prerequisite for solving the problem of inflation and of investment in particular. For several years now the trends in earned income have — at the very least — not constituted any obstacle to new investment. In conclusion, I would say that the opinions voiced in this House on the Commission's report have mainly been favourable on our benches, whereas the favourable opinions on the Visser report have come from the benches opposite. Therefore, I would like to see the various amendments which have been tabled in this House adopted in order to make sure that a new equilibrium is injected into Mr Visser's report, so we can then vote for it. Otherwise, of course, we would abstain and I, for my part, will urge a vote against.

IN THE CHAIR: MR LALOR

Vice-President

Mr von Bismarck (PPE). — *(DE)* Mr President, ladies and gentlemen, I fear it is impossible to deal with this complicated topic in depth in three minutes, and therefore I would just like to recount a brief anecdote. But first of all I would like to thank the Commission for submitting a report which correctly evaluates the immediate present and the future, too, and which also proposes ways of getting to grips with the main evil of unemployment.

This report brings out clearly the connection between the erosion of money, inflation and the principal evil of unemployment. One can take an optimistic view

¹ The rapporteur was:
— IN FAVOUR of Amendments Nos 18 to 20;
— AGAINST Amendments Nos 1/corr., 2/corr., 3, 5, 6 and 17.

² Agenda: see Minutes.

³ See Verbatim report of proceeding of 13 November 1985.

von Bismarck

and say that the Member States' governments have increasingly realized in the past five years that inflation is one of the main causes of unemployment — the forefather of unemployment, as it were — and our impression from Mr Visser's report is that he, too, would like to include this insight in his report for the benefit of his friends. But we still hear from a lot of people here, and outside too, who do not yet seem to have realized how devastating the social consequences of inflation are.

Mr President, please allow me to narrate a rather humorous anecdote which I hope everyone will remember. About 5 000 years ago, or thereabouts, the only thing our predecessors had for selling or bartering was their cattle.

When a young man sought a lady's hand he had to buy her from her father — as was the custom in those days — by giving cattle in exchange. At that time the formula was very simple: the prettier the girl, the fatter the oxen!

(Mixed reactions)

Well, oxen don't stand up very well to being driven over great distances. When the country is parched, they starve, and when they arrive at father-in-law's house they might be a little on the lean side, and he says: 'The bride is pretty, but the oxen are not fatted enough!' And so the Italians' forebears, the Romans — and many others as well — invented money. Indeed, the Roman word for cattle was pecus and for money it was pecunia.

Ladies and gentlemen, do you really believe that when pecunia, money, is increased we will have a greater number of pretty women or of fatted oxen? Once you have taken this on board you will be more versed in money matters than most bankers of this world. You will come to realize that any increase in money outpacing the services and goods available is fraud. And this primarily affects the poor people — because they keep their savings under the bed — who become dispossessed as a result, while those who are more astute, better off and have experts to advise them manage to escape this fate.

I would be very grateful if in future our proposals for new aid infusions and new programmes — which are well-intentioned, I admit — were based on the realization that increasing money does not create pretty women, nor fatted oxen, nor jobs.

Mr Cassidy (ED). — Mr President, I would like to join those who yesterday and again today have complimented both the Commission on their excellent annual economic report 1985-86 and also Mr Visser, our rapporteur, on his own excellent report drawn up on behalf of the committee of which he and I are members, and one which — if I may say so to him

without the risk of upsetting him is blessedly free of political bias. Would that all reports which emanated from the Socialist Group were as free of political bias as Mr Visser's! So free of bias indeed was it, Mr President, that my colleagues and I felt able to support it almost all the way, unlike those members of the British Labour Group who felt unable to support their fellow socialists from other countries and could not support Mr Visser. We hope that they will have learned better in the short time which has elapsed since we discussed this in Brussels.

I normally also find myself in almost complete agreement with Mr Besse, who unfortunately has now left the House. I wanted to take up with him a point he made in his speech which claimed that wage increases had really very little to do with economic prosperity and economic growth. I would tell him that there are many people who would disagree with him in that particular contention. Obviously of course the Confederation of British Industry and the British Government would disagree with him because they are both preaching that wage moderation is essential. However, it is not only the view of those two bodies — which some people might regard as suspect authorities, though naturally of course I would not but it is also the view of the Commission. In paragraph 5(3) of the excellent document entitled Annual Economic Report there is the statement that

'the cooperation of the social partners and in particular of the unions is required in order to moderate real wage increases'.

May I also say that we are getting to the stage where the overhang from the common agricultural policy is beginning to have an unfortunate effect on other aspects of manufacturing industry, on which the prosperity of this Community depends.

Mr Filinis (COM). — (GR) Mr President, both the proposal from the Commission to the Council and the Visser report we are debating are positive in that they consider combatting unemployment as the main aim of economic policy. However, the specific measures provided for are totally inadequate. The motion for a resolution is, of course, very clear when it refers to keeping down wages and increasing the profits of private capital. But it resorts to expressing mere wishes when it refers to increasing employment, converging the economies and improving the living standard of the peoples of the Community.

When they operate in an uncontrolled manner, the blind laws of the market have always led to economic crises and violent social conflicts. If the market is to play a balanced regulatory role, it must be accompanied by mechanisms which will come into play when social necessity requires it. Of course a centralized and bureaucratic public sector leads nowhere. On the other hand, constantly bringing together workers and all kinds of citizens' organizations in the decision-making

Filinis

centres can lead to the public sector adopting decentralized structures and operations based on social need, and can lead to supervision of the private sector from the point of view of investments and working conditions, both sectors being incorporated into the general framework of democratic planning.

In our view this is the approach which must be adopted if we are to get out of the impasse we are in today.

Mr Gautier (S). — (DE) Mr President, ladies and gentlemen, I would like to join the previous speaker, and on behalf of my group and myself congratulate the Commission for this year submitting a more balanced economic report together with guidelines for further discussion within the Community on economic policy. In addition, I would also like to congratulate the new Commissioner, Mr Pfeiffer, personally on the Commission's having managed to get away from a one-sided demand-orientated policy and for proposing a policy mix. I think this is a good beginning, in particular as regards the express importance which the Commission attaches to dialogue with both sides of industry. I hope that my colleague, Mr Cassidy, gets the message and tells his boss, Mrs Thatcher, that this might perhaps be the path they should tread as well.

I would like to make two remarks on the substance, firstly, on the possible risks for future international economic developments. In the past few years we have seen economic developments in the USA dominate trade worldwide, both as regards the value of the dollar, US indebtedness and the USA's expansive military policy. We now see that the dollar is sinking and will probably fall further, that the American Government and Congress will probably be forced to introduce drastic budget curbs, and that there will probably be a drop in demand. This would mean, in particular, our undertaking great efforts of our own within the European Community to strengthen domestic demand, and ceasing to be as dependent upon exports as we are at the moment, i.e. we must boost the domestic economy. I am particularly glad that the Commission has singled out my own country, the Federal Republic of Germany, saying that because of its high level of export surpluses it, in particular, has a lot of room for manoeuvre, especially in view of the sound budget situation achieved under a number of very difficult social conditions, and that the Federal Republic cannot go on saving until it is blue in the face, but must rather switch to an expansive course in order to help strengthen domestic demand within the European Community. This is an important aspect!

My second comment has to do with pay policy, something many of my colleagues have spoken about here. At present when people talk about wage moderation and efforts to keep it going and say that this allegedly encourages investments which create jobs, then I have to reply that this is false and has been proven so. In the

past three years we have had wage restraint, with real pay falling in some instances, and despite this we have continued to have high-level unemployment, but none of the kind of investment we would like. The argument that wage costs dictate the rate of rationalization has also been proven incorrect. Just consider the following: in the past 30 years productivity improves constantly year for year regardless of changes in wage costs. What Karl Marx said a hundred years ago in his law on the trend of falling profit margins is fully clear. He explained quite clearly why there is a lasting trend for capital to replace labour. And neither should we forget that the wage function is not only a matter of costs but also of demand within a society. Any investment which creates jobs requires there to be a demand in the long term; no entrepreneur invests for the sheer fun of it, he does so because he wants to sell his products. And for this there has to be a demand, which he can create both via wages and also via tax measures. We have to watch out, though, that we do not over-functionalize pay as an instrument and make a conservative weapon out of it.

My final comment: perhaps we ought to remember again that we, as a political institution, should not interfere so much in the question of pay policy, and the free collective bargaining between both sides of industry plays a role here. We talk about dialogue: between employees and employers: as far as I can see, in the past few years Europe's trade unions have acted in a very responsible manner, and it would have been desirable for entrepreneurs to have done the same in the past few years. They did not do so, preferring instead to use their profits to make capital gains in the USA and not — as conservative apologists would have it — to create jobs through investment. In this respect I think we can continue to trust in free collective bargaining and to expect the trade unions to play a constructive role. But we also expect entrepreneurs to do their bit as well.

(Applause)

Mr Alavanos (COM). — (GR) Mr President, the representatives of the Greek Communist Party can only oppose the substance and spirit of the guidelines put forward by the Commission when we see that its main strategy is declining wages or even the removal of workers' acquired rights. In the short time at my disposal I shall refer not to the report in general but to special problems affecting Greece. The data which the Commission gives us are extremely interesting. On page 22 we see that between 1980 and 1985, i.e. since Greece has been a member of the EEC, inflation in Greece has remained at the same level, while in the rest of the Community it has fallen by 7%, and we see that the balance on current account as a proportion of Greece's GDP has increased by 5 units, while in the Community as a whole it has fallen by 2 units. We also see that the public deficit, also as a proportion of GDP, has increased by 7 units in Greece while in the

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Community as a whole it has increased by 2 units, something which is further stressed by the increasing divergence, and not convergence, as well as the development of a gulf between the Greek economy and that of the other countries.

I wish to condemn in this forum the unacceptable views contained in the Commission's report in the chapter on Greece, which contains certain measures which the Greek Government is unfortunately pursuing at the behest of the EEC, such as the abolition of the automatic adjustment of the index or the adoption of measures against tenants. Other measures are proposed which are completely against the interests of the people and the workers, such as the adjustment of prices for public goods and services which, in the Commission's view, have been artificially maintained at a low level, or there is also a proposal for continuing to increase tax revenue not only by combatting tax evasion but also by deliberate increases which will be borne by the workers. We can only condemn these views as well as the agreement of the Greek Government with these views, which are opposed by the workers as a whole, as demonstrated by today's major strike organized by the Greek General Confederation of Workers.

Mr Cryer (S). — Mr President, I welcome, of course, the new emphasis in the annual economic report on the need for jobs. But it is worth pointing out that the report also claims, for instance, that the budget contains or limits agricultural spending and provides aid to compensate sectors in difficulty. This, in fact, is patently and completely inadequate, but the report does not state that. Secondly, the report still retains the illusion that tax reductions will act as an incentive to capitalists to invest. Our experience simply does not bear that out. That is on page 65.

The third criticism I would make is that it criticizes by implication public expenditure on social services as though they were entirely separate and different from maintaining our industrial performance. On page 179, for instance, it is straight, inaccurate Tory propaganda to say that tax reductions have taken place in the United Kingdom. In fact, the average taxpayer has had a bigger burden under the Tories. It is only the very well off, as the Commissioners ought to realize, who are better off under the Tories in Britain.

The Commission report emphasizes wage restraint to improve profits but provides absolutely no formula for ensuring that increased profits will be invested in new jobs or indeed anywhere in any Member State at all. It underpins capitalism and tells the trade unions what to do, although the history of trade unionism in the past has certainly shown that unions are, in fact, moderate in their demands. The European Trade Union Confederation says it is willing to enter into a dialogue, and trade unions have always had that view. They specifically say, however, that they do not agree with all the proposals that the Commission has put forward.

The Visser report accurately reflects the two cornerstones of the Commission document — wage restraint and the development of the internal market. Now, we know what wage restraint means. It means the well off, the well-paid, telling the low-paid not to ask for decent wages but to look forward to turning the corner some distance ahead when all will be alright. In the meantime tighten your belts while people write reports! The people in here and the people in the Commission do not have to tighten their belts because they are well enough paid not to. I reject that sort of double standard as hypocrisy.

They talk about consensus. The Commission ought to realize that in the United Kingdom Mrs Thatcher set out to destroy consensus, and she has succeeded. Many managements have a blood lust against the trade union movement in the United Kingdom. She has given instructions to the National Coal Board, for example, to attack the National Union of Mineworkers, whose 12-month strike, I might remind this House, was not about a wage increase but about jobs. In Sheffield workers at Forgemasters have been forced to take industrial action against efforts by the management to destroy traditional negotiating rights.

At Silenitite in Sutton and Barnoldswick the man who owns the company has been called 'Mr Wonderful' by Mrs Thatcher, the Prime Minister. Workers there agreed not to have a pay rise in return for a guarantee of jobs — the sort of philosophy that the Commission and Ben Visser are putting forward. And what happened? After the workers had reached an agreement with a management that they trusted, the 'Mr Wonderful', Mr Clarke, turned round and sacked 50 of them. They took a ballot to embark on industrial action and they have been out on strike since 10 June. In 1984/85 Mr Clarke took from that enterprise half the dividend — a mere £ 650 000. This would have been enough, when the redundancy agreement was broken, to pay his workers' their £ 300 annual wage claim three times over.

In these circumstances where you have this kind of destruction of consensus, the attitude reflected in the Visser report simply will not work, because trust has been destroyed in the United Kingdom, as it has been destroyed elsewhere in Member States. Therefore, with regret, we shall find ourselves opposing the Visser report.

Mr Raftery (PPE). — Mr President, like previous speakers, I too would like to compliment the Commission and Mr Visser on producing a very balanced report.

Mr President, millions of words have been spoken and thousands of reports written about the decline of the European economy and the accompanying rise in unemployment. But, sad to say, very few effective measures have been taken to rectify the situation. In

Raftery

other words, we are long on solutions and words but short on action.

Politicians talk of unemployment as if it were some strange disease, the causes of which are unknown and the cure for which has not yet been discovered. This, of course, is only fudging the issue and abdicating the role of leadership to avoid taking the essential, but politically unpopular, steps to reverse the rising tide of unemployment.

The decline of the European economy arises from a loss of competitiveness. And the increase in unemployment arises not only from our economic decline but also from the replacement of labour by capital in Europe to a greater extent than has occurred elsewhere in the world. This problem must be tackled at both macro and microeconomic levels. At the macro level, this Parliament and the Commission have stressed again and again the need for a completion of the internal market, as well as the importance of strengthening the EMS, and of a greater use of the ECU. However, excessive nationalism and lack of political courage and leadership in the Council of Ministers level have delayed and frustrated the achievement of these aims.

Even now, more than 25 years after the launching of the Common Market in Europe, we still lack a common market and our industries are thus deprived of the enormous advantage of a huge home market of the kind which the Japanese and the Americans enjoy. Again, the need for governments to cut spending in order to allow reduced taxation, thereby stimulating the economies, has been stressed. But governments, while agreeing with these aims, have been very slow to implement such cuts for political reasons.

The noble experiment of the Welfare State has become, I regret to say, a millstone around our necks with the costs in terms of taxes and social legislation acting as an disincentive to work, to saving, to investing, thus generating poverty and unemployment instead of eliminating them, which it was intended to do. In other words, the incentive to work and to invest must be restored by increasing the reward for those who try harder and by making the black economy less attractive. We all know that high taxation encourages the underground enterprises.

At the micro-economic level the very many administrative obstacles which start-up industries face should be simplified and minimized. Likewise the costs imposed by social legislation must be tackled to encourage more employment. Government grants to industry, too, should be related more to the number of jobs created than to the overall cost of setting up the industry, a system which unfortunately encourages new industry to be more capital-intensive and less labour-intensive.

Finally, Mr President, as leaders we have all got an obligation to promote more self-reliance and to tell

the people that neither politicians at home or in Strasbourg nor Commissioners in Brussels can solve their problems alone. Only the people can solve those problems, but they must be given an economic environment conducive to work, to greater investment, to risk-taking etc, and they must be given the kind of leadership capable of making the necessary, if unpopular, decisions that will respond to the rapidly changing circumstances of today's world.

(Applause)

Mr Christiansen (S). — *(DA)* Mr President, in the eyes of the Danish Social Democrats the most suitable title for the Commission's annual report would be 'no reduction in unemployment within the Community in this decade without a new strategy for growth with the accent on cooperation'. In black and white, and with plain figures, the Commission demonstrates that we will have unemployment of 10.5% by 1990 if current policy is continued, whereas we can reduce this figure to 7% if the Member States apply the Commission's proposals and strategy — i.e. a combined expansive financial policy together with a policy for growth with the stress on cooperation. Particularly gratifying and worthy of note is the fact that the Commission's annual report marks a complete break with earlier reports as regards economic policy strategy in the Member States. However, the Commission's memorandum and proposals are sure to have a tough time in the Council of Ministers precisely because the Commission is directly opposing the familiar monetarist policies pursued by, amongst others, Margaret Thatcher in the UK and also the Schlüter government in Denmark.

The Commission's memorandum is thus also in open conflict with the only too familiar Conservative supply-side policy concentrating on wage restraint and increased flexibility on the labour market along American lines. The main part of the Commission's strategy is (1) an increase in both public and private investment and (2) a policy for significantly boosting demand. This places particular obligations on those countries with for example reasonably balanced economies. One thinks in the first instance of Germany, but other countries are included as well, for example my own country, Denmark. Nowhere does the Commission talk of cuts in social services. On the contrary, maintenance of a reasonable purchasing power is referred to as the main element in the strategy. If I read the Commission's report correctly, I also note that the strategy for growth with the emphasis on cooperation presupposes a growth in real wages, albeit modest, which will however gradually lead to an increase in productivity. Also of particular interest are the Commission's comments that the entire strategy is based on negotiation with and between the two sides of industry and acceptance of the strategy at both national and Community level. No dictates or outside intervention in, for example, detailed labour agreements. No legisla-

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tive intervention without prior cooperation and acceptance. Only this overall element of the strategy will allow governments and the two sides of industry to arrive at a common solution to the Community's greatest problem: unemployment.

And finally the most important consideration, namely the fact that the attitude of the European trade union movement towards the Commission's programme is totally positive, something we have not seen for many a year. In line with what I have just said, I am unfortunately obliged to note that we Social Democrats are not satisfied with the poor compromise of a report presented by the Committee on Economic and Monetary Affairs and Industrial Policy. We will vote against it as it stands. On the other hand, I would like to conclude by wishing Mr Pfeiffer and his colleagues in the Commission all the best for their further efforts to defend their proposals, and I hope that they will be the victors in the coming struggle with the national governments.

Mr Papoutsis (S). — (GR) Mr President, the basic problem of the economic situation in the Community is shown by the existence of a high unemployment rate. Priority in economic policy should now be given to tackling the effects which the denial of the basic human right to work has on the social life of large groups of the European population. And this priority must be reflected in both long-term and short-term measures. As regards the long term, given the level of capitalist and technological investment, the way to increase employment is to strengthen cooperation. However, the most important measures concern the convergence of the economic policies of the Member States. Today some national economies have achieved considerable results in their efforts to achieve monetary and financial stability and the reduction of deficits. The convergence of expansionist policies in these countries and of stabilizing policies in the countries with structural problems resulting from a lack of balance in their internal and external economic performance is the basic way towards European recovery.

Three factors make up the long-term dimension of the problem. First of all we must see that the main factor for productivity is the creation of new jobs in technology. We note at present that the intensive importation of technology in recent years has increased productivity but has not created employment. Therefore there must be public awareness of the need to turn towards technological investment which will facilitate labour-intensive production methods.

The second factor which we must examine concerns the creation of a single economic area. Such a single economic area will not be created by the measures for abolishing legal, customs and technical barriers, or at least not solely by them. A single economic area means no to the 'two-tier Europe' and no to the present unacceptable regional and structural imbalances. A

single economic area means convergence, cohesion and a single economic force.

I now come, Mr President, to the third and most important factor, that of political will. Time and time again we have heard and studied the economic and technical aspect of the problems. However, it is not the lack of theory and of proposals which is responsible for the economic uncertainty of Europe, the crisis in international trade, overindebtedness and the famine in the Third World. Why have interest rates risen? Why has capital been moved from the Community to the United States of America? The financial deficits of the United States and the defence expenditure which they have entailed have occurred with the agreement of European leaders. This is the heart of the problem. The European Community has not yet achieved exactly what it wants. A unified approach is lacking. Such policies are the product of negotiations and compromise not only between government choices in the Member States but also between economic interests of the large monopolies which mostly depend on interests which are centered outside Europe. And usually these policies run counter to the long-term interests of the peoples of Europe.

What is therefore essential is a new political stance, a new decisive and single European will which must be expressed through a specific policy, so that the workers of Europe can believe in it and embrace it. We feel that if this fundamental condition is not met, we will not be able to come up with a sound answer to the economic problems of the Community.

Mr Mühlen (PPE). — (FR) Mr President, happily the economic prospects are nowadays less gloomy than they were only a short while ago. It is comforting to see that certain sectors, such as the steel industry, are clearly on the up-and-up. Moreover, inflation has eased off throughout the Community, and could stabilize next year at around 4.4%, and, in addition, the Community countries' balance of payment surpluses are on the increase. There is only one dark cloud on the horizon: unemployment rates, hovering at the very high level of 11.4%. In order to get to grips with this a number of prerequisites are necessary.

Please allow me to focus on one of these, i.e. the monetary prerequisite. In this regard we cannot ignore the fact that the Commission's economic forecasts — and it does not try to hide this — are largely dependent upon the dollar. To start with, the dollar must remain stable, i.e. its movements in relation to the currencies of the other main industrial powers, and Community currencies in particular, must not be a source of new difficulties within the European Monetary System. Developments are certainly more positive on this point nowadays. Indeed, thanks to concerted action by the United States and other industrial powers, the downward slide of the American dollar has taken place in an orderly fashion without any erratic move-

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ments. We should make use of this period of relative calm in the monetary field to perfect cooperation infrastructures in this area.

In this regard I think we should enthusiastically welcome the recent initiatives by the Commission President, Mr Delors. Unfortunately, the scene is not yet quite set as regards another prerequisite vital for recovery, i.e. the cost of money. Interest rates have not yet reached the kind of levels at which they could provide a fresh infusion for the economy and stimulate investment. And here, too, we are at the mercy of the United States, because it is not Europe that needs to remedy the gap in interest rates. All this shows how important monetary matters are in achieving economic recovery, and the European Monetary System must be consolidated internally and its identity strengthened in Europe's external relations. This is an absolute must, and we should not forget it.

(Applause)

Mr Ciancaglini (PPE). — *(IT)* Mr President, ladies and gentlemen, from the annual report on the economic situation in the European Community it is manifest that in spite of the improvement of a number of economic indicators the level of unemployment is still too high. It is therefore right that unemployment should be considered as the central issue on which the Community's entire economic and political strategy should be centred.

Clearly, to give any real thrust to employment we will have to achieve a growth rate greater than the 2.5% currently envisaged. Nevertheless, even an improved growth rate will not prove able, in the medium term, to reduce such high levels of unemployment and it is for this reason that specific steps are called for.

The Commission's position, which is supported by the Visser report, makes specific reference to a much higher level of investments, a boosting of demand and restraint with regard to labour costs. We agree with this assessment by the Commission, above all with regard to the positive effects of boosting demand and the raising of investment levels. We consider in fact that it will not be possible to raise investment to a sufficiently high level without a sharp increase in demand whereas we do not fully share the Commission's ideas on how to achieve increased demand and higher investment levels.

We cannot attribute the low level of investment and the failure to create jobs exclusively to the high cost of labour. It is not simply by lowering the cost of labour that you automatically bring about a higher level of investment.

It is not enough, moreover, to achieve higher company profits because any such profits should be earmarked for investment in production and should be used to

create new jobs. The wage restraint evident in a number of Community countries cannot and must not lead to an indiscriminate reduction in the purchasing power of wages because the result achieved would be the opposite of that pursued by the Commission whose role it is to encourage higher demand.

Any lightening of the social security burden must be effected with maximum circumspection so that any dangerous and unimaginable sort of social dumping are avoided.

The low level of investment over the past few years, in particular in those areas which need it most, southern Italy, for example, give cause for concern. Investments can also be encouraged and stimulated by financial measures at national and European level, possibly involving the introduction of bond loans in ECU. We also feel that in its study the Commission understated the role which state intervention can play. We fully support the Commission's call for a shortening of working hours and call upon the social partners to negotiate such a move at European level.

Any changes to working hours should also be seen in connection with the process of technological innovation. The introduction of the new technologies, combined with changes to working hours, can be a valid means of increasing productivity while at the same time achieving a wider distribution of the labour available. It is therefore on these processes of technological innovation and on the restructuring of the labour market that the attention of the Commission should be concentrated and it is on these problems that the real social dialogue will evolve rather than on a policy of wage restraint.

These process will trigger greater capital productivity on which depends the revival of the economy and of our competitiveness. In conclusion, the report that the Commission of the European Communities has tabled deserves credit for drawing attention to a number of factors which might prompt economic growth. The method adopted by the Commission, which was to involve the social partners in its investigations, deserves particular mention.

Mr Pfeiffer, Member of the Commission. — *(DE)* Mr President, ladies and gentlemen, yesterday evening I was forced to cut short my comments due to the impending voting deadline, and for this reason I would like to pick up where I left off and say a few more things on the motions and on the debate, for which I would like to express my heartfelt gratitude.

I cannot, and will not, of course, go into all 43 motions. I would be happy if Parliament were to vote for the motion for a resolution by as large a majority as possible, because this would be of great help and would strengthen the Commission's position in the Council, something we have discussed here.

Pfeiffer

A number of motions expressly support the Commission's position, and we are, of course, very happy about this. I am thinking in particular of motions 13 and 14 from Mrs van Hemeldonck, and the same is basically true of motion 17, which sums up the strategy's basic elements. A number of other amendments are also fully compatible with the Commission's strategy, but it is perhaps better for the Commission not to comment on each nuance of formulation discussed by Parliament.

Of course, there are also some amendments for which we think the time is not yet ripe, and these I would divide into four groups:

Firstly, those which delete mention of the necessary consensus, by which I mean motions 7 and 9 in particular. Secondly, motions which we do not think are useful for fundamental reasons, by which I mean motion 8, immigrants from third countries, as well as motion 41, which deletes mention of making public contracts more accessible. Thirdly, motions which, as regards reduced working time, formulate aims which are too precise concerning the nature and amount of working time. I have in mind here motions 21 and 29. We believe that the actual details are best left to negotiations between the two sides of industry, although I see no reason why the kind of reorganization and reduction of working time which has no effect on costs should not be mentioned in the motion for a resolution at appropriate points. Fourthly, motions which weaken or distort the arguments contained in the motion for a resolution, as is the case, for example, with motions 4 and 5.

I would now like to reply to some comments made during the discussion. I would like to thank all those who have given us their support, and I would just like to pick out a few points. Mrs van Hemeldonck says the Commission is too timid; well, that's one way of looking at it. We, however, believed we should try to propose something that was realistic and could be implemented. No-one would be happier than the Commission if things developed better, and we will, of course, do our outmost in this field.

Mr Herman mentioned the EMS. I believe that the Commission's institutional proposals to the inter-governmental conference are known. The Commission has clearly demonstrated where it stands.

And now a word on social costs. On pages 57 and 58 of the report and in Table 8 on page 59 we speak clearly about what is involved. But it is not just a matter of comparing percentages, we must also compare performance. Both reflect the social structure in the Community which we cannot put at risk in an irresponsible fashion.

The golden rule on the question of productivity and development of real pay, mentioned by Mr Herman, is — I believe — only really true for sectors making

great strides in productivity. We are dealing with the overall economy and with what is necessary now.

Someone else said that the Commission was being too pessimistic. Of course, our report also points to some cheerful developments, but, unfortunately, we have to point out that there has been no reduction in the number of unemployed in the Community, and this is exactly what we want to change.

And now onto free collective bargaining. Mr Bonaccini broached this matter and it was brought up again this afternoon. I can only assure you that the Commission not only completely respects free collective bargaining but fully supports it too, and wants dialogue for this very reason. The report states that reductions in working time have certain cost implications. We are speaking of reductions in working time which do not affect costs, and to this extent we also believe that negotiations between the free collective bargaining parties are vital here. That is why the report does not go into details about the nature and scope of reductions in working time.

Just let me say something about the inflation rate and inflation. I believe our report makes it clear how important it is to stabilize and reduce the inflation rate, because this, too, strengthens demand and creates more employment.

And as for the international situation, as I said last night, we have also predicted possible future developments, and although we did not think it right to outline crisis scenarios, you can rest assured that we are monitoring developments closely and will take further steps if necessary.

I would just like to make a general statement on the decline in wages and salaries mentioned during this debate. What we are speaking of is a more moderate increase in real pay, which is quite different to what has happened in many countries in the past few years, i.e. a decline in real pay.

(Applause from the left)

I don't think I need to say anything else on the internal market, because we are in agreement. But allow me one remark on the Council of Ministers. We in the Commission were aware that by adopting this strategy we are attempting to tread a course difficult to implement because it demands something from everybody. And it can only be implemented if everybody joins in. For this reason we will approach the wrangle, or discussion, in the Council of Ministers, with much optimism of course.

The matter of consensus played a large role in the debate yesterday and today, and in the overall report. For this reason I would like to repeat what I said here yesterday evening. The day before yesterday the second set of talks on dialogue between both sides of

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industry began in Val Duchesse. We received the approval of both sides, both the European Trade Union Confederation and also UNICE, the employers' federation. We have agreed to continue this dialogue in the Member States as well, and also in the various branches. Thus, I believe that things have started rolling here, and I would urge you to support this process!

We must bear one thing in mind: given the complex decision-making structures in this Community many political parties, groupings and social groups are strong enough to block certain developments, but no-one is strong enough to push through on their own a balanced and promising strategy, or the beginnings of one. Let us meet one another halfway then, and thus create the basis on which to fight the scourge of unemployment with a good chance of success!

(Applause)

IN THE CHAIR: MRS PERY

Vice-President

President. — The debate is closed. The vote will be taken at the next voting time.¹

3. Votes

Report (Doc. A2-139/85), drawn up by Mrs Fontaine on behalf of the Committee on Legal Affairs and Citizens' Rights, on the proposal from the Commission to the Council (COM(85) 355 final — Doc. C2-71/85) for a directive on recognition of higher education diplomas

After the adoption of the proposal for a directive

Mrs Boot (PPE). — *(NL)* I should like to ask the Commission if it could tell us which of the amendments adopted by Parliament will be incorporated and which will not be.

Mr Ripa di Meana, Member of the Commission. — *(IT)* Madam President, I should like to say in reply to Mrs Boot that the Commission will consider each and every one of the amendments which were adopted and will bear them in mind in the redrafting.

(Applause)

Motion for a resolution

¹ Deadline for tabling amendments to the draft general budget for 1986: see Minutes.

Explanations of vote

Mr Beyer de Ryke (L). — *(FR)* Madam President, ladies and gentlemen, I regret to say that I shall abstain from voting on this report, but not because I doubt the great efforts Mrs Fontaine has undertaken to make this report acceptable. My abstention is above all one of principle, because the work done by Mrs Fontaine makes up for what the Commission was not able, or did not want, to do. For official so well-informed — by which I mean the Commissioners or the Commissioner — about parliamentary work and the consultation this presupposes, it is surprising — you must admit — and regrettable that the Commission ignored the professional organizations when drawing up its draft directive.

Mrs Fontaine tried — and we congratulate her on this — to amend, often with great skill, a text which would have been unacceptable without such amendments. Nevertheless, the report submitted for our approval is marred by the hasty procedure into which the rapporteur was forced. No doubt the worst has been avoided, but in all this haste the best has not been achieved.

That being the case, its main value is as an expression of regret concerning the Commission's behaviour and as an appeal to the Commission to use a little more psychology in the future by consulting those whose life and work it is attempting to regulate.

Mr Cassidey (ED), in writing. — Young British lawyers, accountants and other professionals are being offered the opportunity to work in other countries of the European Community under an EEC proposal. Yet the Law Society is trying to deny them this right by arguing against the implementation of the proposal. For some inexplicable reason the establishment in the legal profession seems to be afraid that Britain will be swamped by Germans, French and other nations' lawyers wanting to set up business there. Surely, it is much more likely that enterprising young British lawyers will want to set up elsewhere in the Community.

Interestingly, the accountancy profession — already very international in its outlook — is not objecting. It looks very much to me, therefore, as if the objections of the British Law Society to this proposal for free movement are akin to their objections to the British Government's proposals to open up the lucrative con-veyancing market to competition.

I shall therefore be supporting Mrs Fontaine's motion.

Mrs Veil (L). — *(FR)* Madam President, I do not want people to think that Mr Beyer de Ryke's opinion reflects that of my group. On the contrary, I should like to say that my group believes today should go down as a red-letter day, that the Commission's method is excellent, that it differs from that pursued in

Veil

the past and that we shall be able to make progress on freedom of establishment at last.

Until now we could not do anything and were paralyzed by this very cumbersome procedure. For my part I hope that the method adopted here will be repeated in many other areas. This might be a way of achieving the Europe we desire.

(Applause)

Mr Filinis (COM), in writing. — (GR) The mutual recognition of tertiary education diplomas by the Member States is of crucial importance for the free movement of persons within the European Community and by extension contributes to the creation of a Europe without frontiers. We are obliged under the Treaty to solve the problems connected not only with the recognition of tertiary education diplomas but also with the academic recognition of diplomas and periods of study, problems to which the Commission's proposal for a directive does not refer at all. The bureaucratic procedures, the technical and administrative obstacles and all sorts of unfavourable differences in treatment in this important area of the equivalence of diplomas does nothing but hold up the social and economic development of the Community. If we really endeavour to promote the possibilities open to young people in the Community, particularly now during International Youth Year, we shall have to make sure of two things, namely that there is a clear definition in the directive of how far differences are permitted as regards both the content of training and the field of activity of each particular job or profession so as to avoid any obstacles which the Member States concerned may think up in order to keep workers out, and that the Commission should take initiatives without delay to ensure the recognition of diplomas and periods of study for academic purposes, as well as diplomas for non-university skills which are nevertheless the result of vocational training.

Lastly, the recognition of tertiary education diplomas will help to improve the position of emigrants who already hold diplomas which are not recognized by the host Member State. With the reservations contained in these comments, we shall vote for Mrs Fontaine's report.

Mr Hutton (ED), in writing. — I shall vote for Mrs Fontaine's report, because it takes a measurable step towards helping people to go where they like to earn a living in the European Community. In casting my vote, however, I want to mention one or two reservations which I hope the Commission and the Council will take into account when further considering the matter.

In Scotland we have our own particular legal system, and there are concerns in the legal profession about a

certain wooliness in the proposals about what is meant by 'supervised practice'. I hope that will become clearer. I hope, too, that the practical training aspect may become a little sharper in subsequent discussions, since the harmonization of university qualifications is not really enough.

In Scotland we do not want to see a wholesale imposition of examinations, but there are three fields which have given rise to worries. These are conveyancing, evidence and pleading, and Scottish private law. If the Commission would show some sensitivity towards these areas of legal practice in Scotland, I believe it would help the directive to be workable and beneficial.

Mr Patterson (ED), in writing. — As Parliament's rapporteur on the internal market, I am voting for the report by Mrs Fontaine, and doing so with enthusiasm. At Milan, all our governments gave their support to the Commission's White Paper on the opening up of the internal market, and this is the first draft directive to enlarge freedom of movement for people under the Commission's 'new approach' to harmonization.

The Commission explains how 'the professions have become cut off from each other and locked within the individual countries, in spite of the existence of a common cultural heritage...' The 'new approach' provides a simple, elegant and effective means of eliminating these barriers. If you like, it applies to the Court's 'Cassis de Dijon' principle in a wider context.

In my view, this is indeed the way forward. We should not allow any spirit of national protectionism, nor any special pleading by special interests, to divert us. Having willed the ends in July, we must now will the means.

Mr Prout (ED), in writing. — While supporting the principle that lies behind this report, it has been adopted by the Commission and expedited through Parliament with unnecessary haste, thus impairing the consultation procedure. Professional bodies have had no opportunity to put their own point of view to either institution. They are now obliged to operate through their own national governments during the working party stage in the Council of Ministers. This is likely to lead to delay and changes in the draft. If the changes are substantial, the Council will be under an obligation to consult Parliament again.

Mr Tomlinson (S), in writing. — I broadly welcome the proposal from the Commission, with the amendments proposed by the Committee on Legal Affairs and Citizens' Rights.

However, I wish to draw attention to a deficiency in the proposals, which are largely adequate to deal with genuine and legitimately obtained qualifications. One European 'growth' industry is that which supplies, at a

Tomlinson

price, bogus certificates representing bogus qualifications. In the UK, educationalists such as Lyndon Jones and educational journals such as *Education and Training* have exposed this fraudulent trade to such an extent that the Fraud Squad at Scotland Yard is deeply engaged in its investigation.

I have drawn the Commission's attention to this fraud, and, after some delay deciding where competence rests, they are now looking seriously at this question and will, I hope, bring forward proposals.

My immediate fear is that those who trade in bogus degrees and diplomas will seek opportunities for trans-frontier operations, and I must insist that high priority be given to combating this trade. Unscrupulous dealers in worthless paper, making great profit at the expense of gullible people by peddling bogus degrees and diplomas, must be brought to account, and in this the European Commission has an important role as well as national governments.

With the proposals on mutual recognition, the Commission should now get its finger out and attack the fraudulent trade.

(Parliament adopted the resolution)¹

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Motion for a resolution (Doc. B2-1165/85/rev.) by Mr Cervetti and others on the right of nationals of other Member States to vote and stand in local government and European Parliament elections in their country of residence

Motion for a resolution (Doc. B2-1167/85), tabled by Mrs Fullet and Mr Arndt on behalf of the Socialist Group and Mr Bardong and Mrs Boot on behalf of the Group of the European People's Party, on the right of nationals of other Member States to vote and stand in local government and European Parliament elections in their country of residence

Mr Prag (ED). — Madam President, my group will vote in favour of these resolutions, which, curiously, must have been identical at some stage, because the English only differs in the phraseology. We shall vote for the texts in spite of the somewhat incomprehensible detail of part of them, and we shall vote for them because of the basic democratic principle involved — the fundamental right of the citizen to vote wherever he may be in a community of peoples. That is a right

of which no government, for reasons of administrative difficulty, is entitled to deprive the citizen. It is an essential part of being in a community, and it is an essential and basic democratic right.

We had hoped that the matter could be left until we dealt with it in the report on uniform electoral procedure; nevertheless, the principles are clear and there is nothing in these texts which could conceivably give rise to objection. My group will vote for them.

Mr Ferruccio Pisoni (PPE). — *(IT)* Madam President, it is the principal task and duty of an assembly which represents the peoples of Europe to ensure that any citizen resident in any country of the Community has a voice and can make it heard.

The most meaningful way for citizens to express themselves is to elect their own representatives at all levels. Whoever does not vote does not play a full part in the life of the community of which he forms part and that person is always in the minority. Whoever works in a local community pays local taxes and takes advantages of the services available for himself and for his children and should also be in a position to take part in the election of his own representatives and of the administrators of taxes he pays.

The act of electing is an expression of a right but also the acceptance of a duty. Whoever votes is no longer an outsider or someone not involved but is responsible and held accountable. We will therefore vote in favour of these resolutions and again call on the Commission to respect its undertakings and heed the Parliament's and the Council's repeated decisions concerning voting in local elections.

Mr Elliott (S). — I certainly intend to vote in favour of these proposals because, like a great many other people, I take the view that genuine democracy means an entitlement to vote on the basis of residence rather than nationality. I believe that we should encourage Member States to adopt the principle that once someone has established a reasonable entitlement by residence — perhaps two or three years — they should be permitted to vote, certainly in local elections, quite possibly in others, on the grounds that they are residents of the area they are living in, that they contribute to the life of that community, they contribute to rates and taxes and so forth. That, I believe, should be the principle.

There are some reservations which I have about this particular document, especially where the whole idea is tied to the concept of 'a people's Europe'. I do not think that is a necessary link and it is one that I would reject myself because, as I indicated the other day, I was voting against the Brok report. But the principle of extending the vote in the way that is suggested I certainly endorse.

¹ The rapporteur was:

— IN FAVOUR of Amendments Nos 1, 3-17, 19, 35, 36, 38-41, 43-45, 47, 48, 55, 56 and 58;
— AGAINST Amendments Nos 46, 50, 51, 57, 60 and 61.

Elliott

One further point. There is some concern, I know, among certain people that extending the vote in this way, which means, in particular, to migrants and other ethnic minorities, might lead to a disruption of the normal political pattern. There is a fear that they might have their own political parties, and so forth. That is not the experience we have in Britain. In many parts of Britain such as that which I represent, we have a great many people of ethnic minority background — up to a quarter of the electorate. Many of them already have the right to vote because they are British subjects. They do not form their own political parties. To a very large degree they vote within the normal British political pattern, and by and large I am delighted to say that they vote for the Labour Party, because they have the good sense to do so!

Mr Bocklet (PPE), in writing. — (DE) I cannot vote for the motions for a resolution, because, firstly, they aim to give all Community citizens the right to vote in local elections at their place of residence regardless of their citizenship, although the powers enjoyed at local council level in the Member States vary tremendously, and, secondly, they contain remarks about the right to vote in European Parliament elections which belong in a separate report on this kind of voting right. This also holds true even if the issue of voting rights in elections for the European Parliament is more of a long-term nature.

Mr Pirkl (PPE), in writing. — (DE) On behalf of a number of political colleagues from the CDU and CSU, and on my own behalf, I would like to state that we are, unfortunately, unable to accept citizens of other Community states being granted voting rights in our country at present.

As a matter of principle we must note that the right to vote is one of a citizen's major rights, but in our view this right cannot be granted unless the corresponding citizens' duties are accepted at the same time.

It should also be pointed out that in various Länder of the Federal Republic of Germany — as is the case in Bavaria — the local councils enjoy such far-ranging state powers that the exercise of local voting rights places people at the very centre of co-participation in state affairs.

Moreover, the city states in the Federal Republic of Germany are directly responsible for overall national order, with the result that local voting rights and national voting rights in these city states cannot be clearly separated from one another.

We also fear that granting local voting rights to Community citizens who are non-nationals would lead to the creation of national political groupings in several large German cities, which would no doubt run

exactly counter to the positive intention contained in the present motion.

(Parliament adopted both resolutions by successive votes)

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Report (Doc. A2-128/85), drawn up by Mr Franz on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on the fourteenth report of the Commission on competition policy (Doc. C2-32/85): adopted¹

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Report (Doc. A2-142/85), drawn up by Mr Visser on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on the proposal from the Commission to the Council for a decision adopting the annual report on the economic situation in the Community and laying down the economic guidelines for 1985-1986 (Doc. C2-118/85 — COM(85) 570 final)

Explanations of vote

Mrs Van Hemeldonck (S). — (NL) Madame President, I think we should not underestimate the importance of today's vote. On the one hand, the Commission is now clearly aware that this Parliament supports the main thrust of its report and that it can approach the Council with the full backing of this Parliament, particularly for the new approach apparent in the report which puts less emphasis on the need for growth and more on an acceptance that growth is subject to the need to do something about the catastrophic levels of unemployment.

Secondly, it is now clear that this Parliament supports the new approach adopted by the Commission — namely prior thorough discussions with the social partners, with follow-up discussions. In this way, the Commission has shown a readiness to set an example of what it would like the Member States to do.

As far as my Group's response to the report is concerned, I greatly regret that those on the right of this Parliament, particularly the Christian Democrats, have not made any concessions whatsoever. How can this Parliament refuse to accept that falling wages over recent years have particularly been borne by the workers and that this has led to decreases not in unemployment but rather in purchasing power and thus in fact

¹ The rapporteur was:

— IN FAVOUR of Amendments Nos 6, 8, 9, 16, 21, 22, 25-27, 29-32, 43 and 45;
— AGAINST Amendments Nos 2, 3, 7, 10-15, 17-20, 33, 34, 36, 37, 40-42, 46-51 and 53-63.

Van Hemeldonck

to a deterioration of the economic situation? If people are not prepared to accept basic facts and are intent only on making the victims pay an additional contribution for the economic crisis, that is where my Group draws the line! In consequence, and to our great regret, we will therefore vote against this mutilated report.

Mrs Tove Nielsen (L). — (DA) Madam President, now that Amendment No 10 has been voted, I can confirm that the Liberal Group will now be able to vote for the motion since we feel that this has given us a sensible formula for structuring work. The most important aspect as far as we are concerned is the acceptance that there should be flexibility in the timing and length of working hours. This is because we do not believe in the dogma expounded year in and year out by the Socialists to the effect that cutting working hours will of itself generate more jobs. That will not be achieved unless the correct measures are taken. That means training our people so that they are qualified to undertake the absolutely essential work that we offer them and can take up those new jobs we create and which will, of course, be found precisely in those sectors where new technologies are so incredibly much in demand.

As I said, we will now be able to vote with a clear conscience in favour of the resolution.

Mr Smith (S). — Madam President, the only support which the Visser report received in the Committee on Economic and Monetary Affairs and Industrial Policy came from the right wing and from the Tory Party in particular. I think it is hypocritical for the Tories to support this report because, for example, they call for wage restraint at a time when, recently, a government minister resigned, not because he could not live on £ 15 000 a year, not because he could live on £ 25 000 a year, but because he could not live on £ 35 000 a year. Also, in the past two weeks, the Financial Times reported that directors of the major companies in Britain are now receiving unprecedented salary increases. It is also hypocritical for the Tories to support this report and to call for social consensus at a time when we have got 4 million people unemployed; when we are going through the worst housing crisis since the 1920s; when there are more people on the hospital waiting lists than in any period in the history of the National Health Service; when schools, particularly in rural areas, are closing down at an unprecedented rate and when we have got a mining industry which is devastated.

For those and many other reasons, we in the Socialist Group will be rejecting this report. I would remind you what Mrs Thatcher said the other day: 'This country — the country of Britain — is going through a boom'. If she visited my constituency where we have an unemployment rate of 50%, she would change her

mind. That is why we shall be voting against this report.

(Applause from the left — Protests from the right)

Mr Papoutsis (S). — (GR) Madam President, it is true that the Commission's proposal provides for the first time the framework for properly tackling Europe's economic problems. Unfortunately, however, the Conservative majority in the European Parliament has changed Mr Visser's report in such a way that we disagree with it as a whole. The intransigent attitude of the Conservative majority means, as far as we are concerned, the rejection of the basic conditions for European recovery, which are: specific measures to bring about the convergence of the economies, resorting to labour-intensive technologies, and the coordination of economic policies with a view to development policies in the developed economies and stabilizing policies in the non-competitive economies. But given this rejection, the Greek Members of the Socialist Group will not, to their great regret, vote for Mr Visser's report.

Mr Visser (S), rapporteur. — (NL) Madam President, one of the greatest problems facing the Community is the need to improve the economic situation and to combat unemployment. For a Parliament, failure to reach a consensus on this issue undermines its credibility but it is also obvious that a verdict is not possible under all circumstances. I admit that the final vote taken just now featured a number of concessions of great significance to the Left and I will not deny it. An ideological paragraph was included, greater emphasis placed on support for the Commission and passages concerning reductions in working hours were included in the report even if not precisely as I would have liked to see them. Unfortunately, and to my great regret, it proved impossible to find satisfactory solutions to one extremely important point. On the major issue of wage-restraint, I had thought that a compromise was still possible even just before the final vote. It was within reach but I must regretfully note an absence of cooperation from those on the Right in this Parliament and we all know that this is essential if we are to have any chance of succeeding with a new Community strategy.

As rapporteur, Madam President, it is my duty to sum up and I cannot but say how painful it is. Nevertheless, even on such an important issue, Parliament has proved unable to respond to the real situation in society and has therefore harmed the interests of many in that society. Having weighed up all the issues, and to my great regret, I can only recommend that Parliament abstains from voting. I see no alternative.

Mr Gautier (S). — (DE) Madam President, ladies and gentlemen, Mr Visser's report and the Commission document talk a lot about the need for dialogue between both sides of industry, and that if we want to

Gautier

implement a successful economic strategy in Europe, than trade unions, employers and governments should sit down at one table and jointly thrash out some economic measures. Unfortunately, we ourselves have shown here today how difficult this is. We, too, are often unable to reach a political compromise, in which the various parties simply accept that they have responsibilities in certain areas which they just cannot get away from. I very much regret that we have been unable to reach a compromise on formulating pay policy unfortunately, but I would also say quite clearly that Ben Visser's report also contains a lot of things on which we as Socialists have urged action for many years now. One example is the impact of reducing working time on employment, or the role of dialogue between both sides of industry, and many other things. For these reasons I will personally abstain on Article 16 during the final vote, despite this paragraph.

Mr Peters (S). — (DE) Madam President, ladies and gentlemen, for the first time in ages the Commission has seriously attempted to make a number of distinctions in its economic report and, instead of basing its proposals on criteria clearly favourable to firms and employers, has also taken into account the interests of the broad sectors of the population and the labour force. Unfortunately, our Parliament did not back this up with the necessary majorities, and it has now adopted a report which lags way behind the Commission's intentions, and we really ought to vote against.

(Applause from the Socialist Group)

With enlargement just around the corner this Parliament still dares to adopt a stand against, and not in, the interests of the working people. No amount of shouting will change this because it is a fact! We will abstain only because we want to send a signal to the Commission, and not to the erroneous majority of this Parliament, which has an erroneous view on the importance of purchasing power, shoved off as it is onto pay. Nothing is said about the fact that profits rose by 20% and then were ploughed into America, not into investment. Reduction in working time is made out to be purely a matter of production costs. Unemployment cannot be fought without a massive reduction in working time. That is the reality.

(Applause from the Socialist Group)

Mr Klepsch (PPE). — (DE) Madam President, since the Socialist Group speakers not only keep rising in great numbers to say the same things in their explanations of vote, but are also greatly exceeding their speaking time, I simply wish to point out to the Socialist Group that other groups can do the same to them in the future.

You are the ones running over your time with numerous explanations of vote, without adding anything

new. What we have just heard was nothing but a stream of invective against the socialist Commissioner.

(Mixed reactions)

President. — Mr Klepsch, you are referring in particular to an earlier speech for which we forgot to reset the clock after the previous speaker. That is why the time shown exceeded what was laid down and what was used by the Member in question.

Mr Iversen (COM), in writing. — (DA) This report makes depressing reading with its proposals for wage reductions, the introduction of flexible working hours on the grounds of operational necessity, the trimming of public expenditure, especially on social security, and the liberalization of currency control regulations. The Commission is proposing wage restraint to the Council. Why this attack now on rights won by the trade union movement through years of struggle and development? I see nothing in the proposal to the effect that capitalists should exercise restraint and refrain from making higher profits. I am quite prepared to believe that many members of this House are sincerely concerned at the fact that the rich in the EEC are getting richer while the poor get poorer. The allocation of additional resources to the regional and social funds has been proposed as a sop to critics, but this will not help. Any additional resources will be just as wasted as those already employed.

We have now entered the twelfth year of the crisis. It is no shortlived ripple in a flood of prosperity. Capitalism, crisis and unemployment are inextricably linked and only a gradual abandonment of capitalism can help. In many of our countries, the bourgeoisie has, after all, been in power for a great number of years. In other countries, there are social democrats but these social-democrat parties have never shown any real daring in bringing capital to heel. Any effort to combat unemployment must involve forcing capital to establish plants with large work-forces. The trade union movement does not need fine but non-committal pronouncements from tripartite negotiations. What it needs is freedom from state interference and the freedom to fight for the jobs and standard of living of its members. We in the SF will vote against the tabled report since it expresses the opposite of what we would want to hear from the Socialist benches.

Mr Stevenson (S), in writing. — Whilst we must welcome some parts of the Commission's annual report on the economic situation which may have formed the basis of ongoing discussion, sadly the report compiled by my colleague, Ben Visser, has, in my opinion, failed to establish the desperately needed strategy with which to begin to attack mass unemployment.

We are urged in the report to support wage moderation as a major economic tool to provide improved

Stevenson

profitability, which in turn and by some kind of magic will result in much-needed investment.

The second thrust in the report is for consolidation of the so-called internal market. Free capital movement, unbridled competition are the order of the day. These policies are the cause of our problems, not the cure.

Many of us are extremely concerned at this lost opportunity to promote economic policies based on a clear commitment to full employment. We must plan our future so as to ensure that all factors of economic and social activity are designed to benefit the growing sectors of our society who see little or no hope at present, particularly the young.

I believe that most of us would accept the need for productive and profitable industry to provide the scope for investment, but this report is so preoccupied with wage moderation to enhance profits that no reference is made to the mechanism to transform these profits into investment. Certainly in the UK we have seen massive outflow of capital when left to free market considerations.

We must reject entirely the statement by Mr Visser that refusal to support his report implies total rejection of the Commission document. There is much in the Commission document that could attract our support, especially the emphasis on unemployment. But in my opinion the report by Mr Visser does not reflect this basis.

When we hear the parties of reaction in this House favour this report, especially the British Tories who, more than any, have used mass unemployment ruthlessly, then any question of support disappears. Therefore I shall vote against and urge the House to do the same.

(Parliament adopted the resolution)¹

4. ESF

President. — The next item is the report (Doc. A2-124/85), drawn up by Mr Ferruccio Pisoni on behalf of the Committee on Social Affairs and Employment, on the

proposal from the Commission to the Council (Doc. C2-86/85 — COM(85) 451 final) for a regulation amending Regulation (EEC) No 2950/83 on the implementation of Decision 83/516/EEC on the tasks of the European Social Fund.²

¹ The rapporteur was:

— IN FAVOUR of Amendments Nos 10 and 26.

² The oral question with debate (Doc. B 2-1126/85) by Mr Vandemeulebroucke and others to the Commission on the new guidelines for the management of the ESF (1986-1988) was included in the debate.

IN THE CHAIR: MRS CASSANMAGNAGO
CERRETTI

Vice-President

Mr Ferruccio Pisoni (PPE), rapporteur. — (IT) Madam President, ladies and gentlemen, unemployment is possibly the most tragic problem facing us today. Almost 13 million unemployed in the Community or 10.8% of the workforce. The remedial action taken so far has produced few results. The debate we had in October on the new technologies and their impact on social policy showed that the new technologies cannot generate new jobs in the short-term but that they destroy them. It is only in the long-term that innovation can create new jobs and generate new professions. Facing us now is a long period in which the problems associated with unemployment will be weighty. In about 10 years we will be feeling on the employment front the impact of those years in which the birthrate was low. The Community has devoted much work to solving the problem as well as many symposia which gave rise to many resolutions but produced little in the way of funds. The Social Fund, which is the principal tool for investment in this field, has to use resources which are totally inadequate as a response to demand and requirements. In the past the use made of the Fund has sometimes been scattered and produced little effect so that Parliament feels the need to request that the Fund be put to more selective and systematic use to prevent it becoming nothing more than an alternative to national funds. Up till now the Social Fund has been used in specific sectors to aid cooperatives and those they employ to establish themselves professionally as well as to support any measures designed to create new jobs. In these fast-changing times we are witnessing the gradual disappearance of traditional employment and massive cuts in jobs in the raw materials and industrial fields while it is forecast that many of those employed today will have to retrain before the end of the century, we must devote particular attention to the category of self-employed. If technological, economic and sociocultural developments proceed along the lines that the more scientific studies predict the greatest increase in the employment market will occur in the tertiary sector either in the form of cooperatives or independent businesses.

In the Commission's opinion this opening-up of the employment market should be encouraged and given every assistance. The rapporteur and the Committee on Social Affairs and Employment cannot but lend their support to these measures, which are designed to boost medium and long-term developments and create permanent new jobs. We therefore support the Commission's proposal to extend the coverage of the Social Fund to include the self-employed whenever the prospects are stable and durable. Some Member States have already called for this extension. The rapporteur considers that the move is in the right direction and

Ferruccio Pisoni

that it cannot fail to produce positive results even in the short-term.

There will be a need for a series of essential conditions if the proposal is to be correctly applied. As we have said on previous occasions the scale of the Social Fund is totally inadequate considering the current level of demand and requirements. If the scheme is further extended there is a risk of an even greater loss of jobs and the reduction or nullification of its impact on the employment market in real terms. If the Fund is to be given new outlets and new goals allocations must be increased accordingly. Its current level of funding renders any extension of its field of application impossible. The amendment put forward by the Committee on Social Affairs and Employment makes an explicit call for this undertaking which can easily be accepted and discharged as the proposal is that it should not come into force until 1 January 1987 and that therefore the relative budgetary allocations can be included in the budget for next year, i.e. 1986. The postponement until 1 January 1987 of the date on which the measures are to come into force is necessary to enable all the Member States to take all the appropriate legislative steps in good time. The entry into force of these measures before the date envisaged would not allow the budgetary provisions to be requested in time since the deadline for 1986 is already past.

Deployment of the funds cannot be considered for each and every self-employed person as there are many who require no help at all. The Commission should therefore draw up a selective list of the self-employed categories to be encouraged and set priority criteria to govern the granting of assistance. The Fund must in no circumstances be considered an alternative to national financing in the field in question. The Fund can be used only if the national programmes have been drawn up to create new jobs for self-employed persons and if they form part of new and specific measures for which there is a guarantee that the Member State in question will also make a contribution. Aid must be limited to the period of start-up of the new business. Some members of the Committee on Social Affairs and Employment abstained from voting on the proposal because they feared that the sparse resources available would be scattered if the field of application were extended and felt that the category of self-employed persons was not sufficiently well defined and that the well-prepared countries could take undue advantage of the situation. The amendments approved by the Committee and tabled here today have dispelled these fears. I hope, also, that those who abstained will review their position and lend us their support.

The Committee on Social Affairs and Employment has authorized the rapporteur to make use of the provisions of Article 36 of the Rules of Procedure to ensure compliance with the conditions set. If the Commission is unable to accept the amendments put forward by the House the rapporteur will call for the proposal to be

referred back to committee before the final vote is taken.

Mr Vgenopoulos (S). — (GR) Madam President, the Commission's proposal seeks to give self-employment the same status as paid employment as regards the subsidy for creating new jobs. We naturally agree with this since it cannot be denied that the problem of structural unemployment also affects self-employed workers, a fact, which, irrespective of the unemployment rates in the various Member States, creates serious and often critical problems for their economic and social activities. In this case we must of course stress that subsidies for creating openings for self-employment will only be granted if such expenditure forms part of the new special national measures to combat unemployment. Practical cooperation will therefore have to be established between the Commission and the Member States in order to determine jointly the sectors to be included in the new extension of the regulation. As regards the individual measures, we also agree with the extension of the 1983 Regulation No 2950 to include young people under 25 who are seeking employment and long-term unemployed who become self-employed.

I shall not dwell on the difference between paid employment and self-employment, since we shall not see the wood for the trees, and in this case the 'wood' is the mass of unemployed who are waiting to get jobs. They can find these jobs from the additional ones which we must create with new programmes which will emerge from, among other things, cooperation between the three structural funds. This means that it will be inconceivable if this new extension of the 1983 Regulation No 2950 is not accompanied by an increase in the resources of the European Social Fund, for which unfortunately, as we have heard in the last few days during the budget debate, a policy of cuts has been pursued. We cannot accept that the main source of funding for these new powers will be the national budgets, since national anti-unemployment measures which are already being implemented will indirectly replace them.

We would propose that the scheme should be supplementary as regards both funding and the choice of measures.

Lastly, Madam President, without going into detail on the means of implementing and supervising this amendment to the 1983 Regulation No 2950, I should like to state that reducing the number of unemployed is the Community's objective and genuine aim, which can be achieved both by promoting the creation of jobs for self-employed persons and by creating jobs for employed persons. Such measures form part of overall European social policy. However, we support this amendment to the Regulation on certain conditions, namely that the European Social Fund receives more resources, the sectors in which jobs for the self-

Vgenopoulos

employed are to be created are clearly defined, special support is given to small and medium-sized enterprises and industries — sectors which are particularly badly hit — and account is taken of the unemployment of Community workers returning to their countries of origin.

Mr McCartin (PPE). — Madam President, first of all I should like to thank Mr Pisoni for his report and for his work on behalf of the Committee on Social Affairs and Employment. He did a very good job and my group agrees with the main conclusions it draws and most of the recommendations it makes. On behalf of my group I have tabled two amendments. The first refers to a paragraph in the report which says: 'Measures should apply to new and specific schemes'. This creates a problem for some countries where schemes of this sort are already in existence. I refer mainly to the enterprise allowance schemes in Britain and Ireland. If this amendment were adopted those countries would have to initiate entirely new measures which would run in parallel with existing measures. We could get around this by ensuring that the Commission takes careful inventory of the schemes already in existence and ensures that the money provided is additional so that existing schemes could be extended and improved with the use of this money, rather than insisting that entirely new or parallel schemes be put into effect. I shall come to the second amendment later.

Generally speaking, I welcome this provision. I think it is a good idea. For too long, indeed since the Community recognized that unemployment was such a serious and persistent problem, we have looked on the public sector and the creation of direct jobs in that sector as some kind of solution. We have seen everything in terms of creating jobs for young school leavers. Too often we have over-emphasized the obligations of society to provide opportunities and employment for young people. We have thereby created the impression that young people do not have any obligation to make their own way in life. The right approach would have been to emphasize that everyone has an obligation to work, that there must be a service people can give to their fellow-man in return for what they get out of life. It is not the government's obligation to ensure that every person gets a job.

Many of the schemes introduced by national governments to solve the unemployment problem, even when those schemes contained a training element, did not give very satisfactory training or job satisfaction to the young people concerned. They were seen as an elevated form of social welfare both in society generally and very often by the people who were in receipt of this opportunity or training.

I welcome the introduction of a new balance into the Commission's and Community's thinking which will give young people the opportunity to create employment for themselves.

With regard to the amendment tabled by Mrs Dury and Mr Bachy which calls on the Commission to ensure that the measures do not encourage young, unemployed persons to embark on self-employed activity without preparation or security. I do not like the idea of people being encouraged to go out and look after themselves without preparation. It is their education that should prepare them for work and life. However, I do not think we can guarantee absolute security to every person who embarks on a project in life. A former prime minister of Greece was once quoted by a Socialist friend as saying: 'There is nothing in life that is worth doing that can be achieved without suffering or sacrifice'. This is recognized by many Socialists. If a young person is to embark on a project in life to secure a future for himself and to render service to mankind in the community in which he lives, he cannot do so in a worthwhile fashion without taking some risk and perhaps incurring some suffering and sacrifice. We cannot give young people an absolute guarantee that they will have continuous security and that they will not find themselves at some point temporarily out of work and having to put up with lower standards of living. To do this would be to take a lot of the good out of life.

To sum up, Madam President, we welcome these measures. We regret they cannot be introduced sooner, but we appreciate the difficulties of some Member States in bringing in schemes immediately. Therefore, I think it is better to wait until everybody is ready.

Mr Fitzgerald (RDE). — Madam President, like the other speakers, I too would like to thank Mr Pisoni for his report on the Commission's proposals to amend the Council Decision on the tasks of the Social Fund. As a member of the Committee on Social Affairs and Employment, I too welcome the report.

The proposal to extend aid for the creation of jobs for self-employed persons is welcome, but it must be subject to the realistic conditions outlined by the rapporteur. Yet again it is necessary to state that unemployment is the greatest single problem facing my own country and facing the European Community. If this nightmare existence for 13 million unemployed people is to be ended, with special regard for young people, women and the long-term unemployed, the situation of the self-employed needs to be looked at very seriously.

The Commission has picked the self-employed category out of the air without giving any background to their situation. There are a quarter-of-a-million self-employed in Ireland. They divide equally into 120 000 non-farming self-employed, who provide jobs for an estimated 360 000 people, and 120 000 farmers who employ an estimated 40 000 people including family members. In fact, the total workforce directly dependent on the self-employed amounts to 640 000 people. In Britain the National Federation of Self-employed

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estimates that the self-employed employ 6 million people in 2.6 million businesses. Many have difficulty in accepting that the self-employed sector is such a large employer.

Our own export industries employ only 85 000, of which many are self-employed family businesses. As the export industries are the focus of our national economic effort — and they employ comparatively few — it is probable that the self-employed in family businesses do, in fact, account for 600 000 people in our workforce. The multinational and public companies account for a couple of hundred thousand employees and the public sector for 300 000.

Madam President, I believe that if each non-farming self-employed firm were to employ one extra member of staff, employment could be halved in my own country and considerably reduced throughout the Community. I would like to urge the Commission to investigate the situation and the problems of the self-employed in great depth.

The resources of the Social Fund are inadequate. The rapporteur is so correct. It is incontestable that the resources are inadequate, to cope with the different categories of groups already eligible for aid under the existing regulation. If implemented, it will also have to cope with the severe unemployment problems of Spain and Portugal. It is inevitable that the addition of the self-employed category will increase the overall number of applications submitted. It is also inevitable that under the existing terms the Fund's limited resources will have to be spread more thinly to satisfy the new requirements. This will further diminish the impact of the Social Fund, the resources of which, the Commission admits, are sadly inadequate. Additional resources for the Social Fund represent the bottom line, together with the necessary political will. Without these two prerequisites the Community objective of reducing unemployment cannot be achieved.

Mr Vandemeulebroucke (ARC). — (NL) Madam President, the Pisoni report gives me the opportunity to speak about a problem concerning the Member State to which I belong. Up to now, all of Belgium has been eligible for assistance from the Social Fund. I readily admit that this was not right since existing resources were as a result insufficiently concentrated on the sub-regions most in need.

In May, the Commission published a number of changes to the management of the Social Fund for the next two years. Certainly as far as Belgium is concerned, the effect will not be to improve the effectiveness of resources. On the contrary, eight of the nine provinces in my country continue to be recognized as assisted regions, whereas one province, West Flanders, is to be cut off from further aid as from 1 January 1986. This decision is not the fault of the Commission, nor of the European bodies, but is in my view the

result of defective statistics from the Belgian Statistical Institute. Whereas, normally speaking, the list of priority areas should be established on the basis of statistics concerning the rate of unemployment and GDP per region at level III, the data used by the Commission for Belgium relate to level II. Belgium turned out not to have data available for level III, the level of what we call 'arrondissements', so the Commission has simply decided to use the data that are available, i.e. for the provinces. As a result, the province of West Flanders has been dropped from the list of regions eligible for assistance, where it should normally speaking belong.

This turns out to have disastrous consequences for a sizeable part of this province. Three of the eight West Flemish 'arrondissements' i.e. at level III, are known collectively as 'Westhoek'. Now, as it so happens, Madame President, this region has just being designated a development area by the European Regional Development Fund and is thus eligible for assistance from this source. As a matter of fact, the Commission has decided to fund a study on integrated actions for the Westhoek. If I understand this correctly, integrated action is assistance not just from the Regional Fund, but also from the Social Fund and other structural funds. The Community thus rightly wishes to gear its aid to integrated development actions for disadvantaged regions, and such integrated aid is normally enhanced by the fact that a multiplier effect is then possible, also as far as the Social Fund is concerned.

We are forced to note that the Commission is pursuing diametrically opposed policies with the Regional Fund on the one hand and the Social Fund on the other. Hence my question to the Commissioner: can he say what criteria were used to establish this list of assisted areas for the Social Fund, and was account taken of the Raggio report, which we adopted here on 12 February 1985?

A second question: can the Belgian authorities be contacted in order to improve the statistical data? And finally a last question; can the Commission say whether this list for the 1986/88 Social Fund is open to correction and modification so as to make Westhoek, which is now in a particularly awkward predicament, eligible for integrated assistance?

Mr Ulburghs (NI). — (NL) Madam President, the Social Fund needs to play an increasingly important role in the European Community, which is currently undergoing a crisis. Many young people and unemployed are namely losing courage and giving up. I therefore think it is important for the Social Fund to encourage small-scale initiatives. In general, neither the multinationals nor the state enterprises do this. Yet it is necessary to encourage creativity from below. It is therefore important to support and encourage small agricultural enterprises such as, don't laugh, goat farm

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cooperatives — I know a couple in Limburg — to allow such initiatives to develop further. Other examples are ecologically- and biologically — oriented market garden cooperatives and building cooperatives — we have a great shortage of housing and there are so many jobless who want to work. Thus, small-scale initiatives. Neighbourhood garages and services to refurbish dilapidated housing in districts and neighbourhoods. In welfare too there is a great shortage of people. Why shouldn't the Social Fund be able to give incentives to groups aiming to conserve the environment and maintain parks and neighbourhoods? Neighbourhood reconstruction work is short of manpower, particularly in the disadvantaged areas. Tenants initiatives are springing up everywhere, and they receive no assistance. Hence, Madame President, my proposal that the Social Fund should consider such small-scale, labour-intensive initiatives and thus provide hope for the future.

Another aspect is support for organizations that provide information, offer practical facilities for self-help, set up and encourage self-help groups and encourage self-management initiatives with the participation of the workers and employees concerned. It is also important for such organizations to try to establish tangible links between, on the one hand, schools and students, who are impractical despite their intellectual accomplishments and enthusiasm, and, on the other, concrete reality at the grass-roots and in the social neighbourhoods and districts.

For these reasons, Madame President, I propose that more attention should be given to small craft enterprises, farmers, etc. Such small, simple businesses have been driven out of the Community, to be replaced by unemployment and hunger. I therefore think that the Social Fund has an extremely important social role to play in this field. This issue should be placed on the agenda at future meetings, and efforts really need to be made to promote such small-scale initiatives.

Mr Chanteric (PPE). — (NL) Madam President, in connection with the Pisoni report I would like to comment on the general aim of the European Social Fund. I do not think we are being honest if we pin all our faith in the Social Fund as a solution to the crisis in the European Community. If we examine the share of the Social Fund in the European budget as a whole — which we voted on earlier today — we are forced to realize that this Fund can only make a small contribution to the fight against unemployment. That is my first point.

The second point I wish to make is that a couple of years ago in this House we talked about greater effectiveness of the structural funds, better coordination, and greater orientation of these structural funds towards a Community policy. Such funds should not be a channel for money to flow from the national treasuries to the European budget and then out again to

the national budgets. Although we engaged in long discussions on this subject, we have to say that there has actually been little improvement, and little has changed.

We know that the Social Fund is struggling with severe problems, including payment arrears, with the result that a considerable number of projects are currently at risk. I think that the Commissioner could give us more information on this point.

I would also like to comment on the point raised by Mr Vandemeulebroucke, and recall the Decision of 30 April 1985 establishing the priority rules for the European Community. At the time, as soon as this decision was published at the end of April, I put a question in the Social Affairs Committee to the Commissioner responsible, Mr Sutherland, asking why the province of West Flanders was the only Belgian province that was no longer eligible for assistance. The Commissioner referred to the statistical data. I do not wish to start an argument here with Mr Vandemeulebroucke, but everything does indeed revolve around the concept of 'level III', which for Belgium is the level of 'arrondissement'. The Commission said it did not possess data for this level III. I then replied to the Commissioner responsible that data were indeed available. The Belgian administration is therefore not completely to blame, as was said just now. For example, unemployment figures are available for each 'arrondissement'; in fact, I communicated these figures to Mr Sutherland. Although a more cumbersome procedure is required to work out the share of GDP, the Commission could have determined this as well since it possesses sufficient data in its statistics. In my view, the Commission is, at least partly, at fault here.

A second point is the existence of two indices, on the one hand the index used for the Regional Fund and on the other the index used for the Social Fund. These two indices contain different figures and therefore give a different status to the province of West Flanders. If we really do want to have coordinated action, and that is in fact the aim of these structural funds, the Commission should make a serious effort to tackle the problem and not operate with totally different indices depending on which fund is involved. I thus urge the Commission to revise its statistics, which incidentally are very much out of date, and to adjust accordingly its future decisions on the demarcation of the priority regions in Belgium.

Mr Narjes, Vice-President of the Commission. — (DE) Madam President, I would like to start off by commenting on Mr Pisoni's report, and then I will reply to the oral question from Mr Vandemeulebroucke.

I would like to thank the rapporteur, Mr Pisoni, very warmly for his work and the excellent report he has submitted. I would also like to extend my thanks to

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the Commission which, by taking this topic on board so quickly, made it possible for us to discuss it today.

The aim of the proposal is to intensify the scope of action of the European Social Fund in the fight against unemployment. Grants in aid to the enterprise allowance schemes operated by Member States should not only benefit employed people, but should also be made available under the same conditions to people setting up their own firms and thus creating new jobs. We are thinking here in particular of smallish enterprises which, as experience in the United States and in Europe, too, has shown, can make a special contribution to reducing unemployment.

The Committee's document does not pose the Commission any particular problems. We fully agree that aid from the Fund should encourage additional efforts by the Member States to reduce unemployment. The Commission will have to take account of this as far as possible in applying the new regulation.

However, the addendum recommended by the Committee contains a risk, and I do not know whether it has been seen and is intended as such. The Member States already operating enterprise allowance schemes for the self-employed — the United Kingdom and France, and as I gleaned from Mr McCartin's, remarks, Ireland, too — would be worse off than countries encouraged by the new regulation to introduce such schemes for the first time. For this reason the Commission cannot accept this proposal in its present form. We agree, meanwhile, that the planned regulation will only apply to measures undertaken after next year. This is in keeping with the regulation concerning the application deadline, but above all it ensures that Member States have time to adapt their aid schemes.

We are happy that the Committee touched upon the problem of the amount of money available in the Fund for this, though the demand for this special kind of aid ought not be too large for the moment, with the Commission estimating that about 25 million ECU will be needed for 1987.

As you know, and as several participants in the debate have noted, the Fund budget is a cause for growing concern, especially with enlargement looming, and we have to tackle this matter together with this House and the Council. In reply to the question posed by Mr Chanterie, I would like to say that during 1985 we received applications to the tune of 5 000 million ECU, but only had 2 000 million ECU available in the form of commitment appropriations, i.e. covering 40% of the applications we received.

The need for joint action does not preclude Parliament from pointing out the special requirements in its resolution. In working out the guidelines for management of the Fund from 1987 to 1989 the Commission will try to integrate the new aid regulation into its selection criteria. It will be looking out for criteria

which will have an impact on the job market, taking 'small enterprises' as its cue.

Turning to the motions, I would like to point out that — following what I have said — motions 1, 2, 4 and 11 pose no problem. As regards motion 3, I would like to repeat what I said earlier, i.e. that the Member States already operating schemes are put in a worse position, which I do not think is the intention. This can be avoided either by deleting the adjective 'new', or by adding a phrase running something like 'this rule shall in no way be to the disadvantage of those Member States already operating job-creation schemes to benefit the self-employed'.

One of these two possibilities should be chosen so that amendment No 3, and in connection with it motion No 13 too, can be adopted. Motions 9 and 10 do not seem to us to be especially viable from a practical point of view.

As for the question from Mr Vandemeulebroucke, I would like to say the following: the Commission based its list of regions to be given priority Social Fund aid on two considerations: firstly, regions to receive aid from the non-quota section of the Regional Fund or from ECSC funds with a view to restructuring, and secondly, regions which the indicators show to be especially disadvantaged. These indicators are based on the statistical mechanism dealt with by this House early this year.

The statistical values are based on the factors of youth unemployment, adult unemployment and gross domestic product. As was rightly pointed out, they were worked out on the basis of level III of regional statistics, which corresponds to the 'arrondissement' in Belgium. But since Belgium had no data on the gross domestic product at level III, the Commission had to use the values for level II, thus taking a step towards greater concentration of Fund aid. In line with this the top priority regions — such as Greece, Ireland or the Mezzogiorno — and the regions accorded priority in the list, cover 57% of the Community labour force, compared to about 64% in 1984/85. This is not only in keeping with the request for greater concentration of aid contained in the Council Regulation on the tasks of the Fund, but also responds to the worry repeatedly expressed by this House that the Fund's resources were being scattered too widely.

The Commission has, by the way, also endeavoured to take into account what the House said in February — the Raggio report — and the March report, but it has still not been possible to obtain reliable statistics on the factor of long-term employment. However, it is convinced that it can take account of this in practice, at least when determining the regions in need of restructuring and for a number of other regions, too. The Commission did not include West Flanders in the list because — as has been stated already — its statistical values were considerably more favourable than those

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of the other regions. However, West Flanders can be taken into consideration under a certain number of guideline provisions not limited to any particular regions. To name just one example: vocational training of young people for a skilled job involving new technologies. The Commission is obliged to review the guidelines, including the list, before 1 May 1986 and to update them for 1989.

President. — The debate is closed. The vote will be taken at the next voting time.¹

(The sitting was suspended at 7.50 p.m. and resumed at 9 p.m.)

IN THE CHAIR: MR GRIFFITHS*Vice-President***5. Action taken on the opinions of Parliament**

President. — The next item is the statement by the Commission on the action taken on the opinions and resolutions of the European Parliament.²

Mr Cryer (S). — In the statement of 7 November there are several items relating to money allocated for financial aid for emergencies in third countries. This is, of course, very welcome. However, there are no indications of any food being transferred from the food mountains which, as the Commissioner knows, are growing day by day. Indeed, the last report which the Commission made to this Assembly recorded that only 5 000 tonnes of cereals had been transferred to Ethiopia. Apart from that, all the remaining relief in that report had taken the form of money. Of course that is very welcome, but the Commissioner will forgive me if I say that a lot of people are suggesting that the food mountains should be transferred to areas of greatest need. Has he any comments as to why the last report indicates that not a single bushel has been moved to areas of great need?

Mr Varfis, Member of the Commission. — (GR) Mr President, it is true that this month no food aid has been supplied because the aid which was granted last month has not yet been distributed. This is because in these countries it is harvest time, when the requirements are always less. However, the go-ahead has already been given for food shipments for next month, and of course these will be continued on a regular basis.

Mr Bombard (S). — (FR) Replying to questions from all the parliamentary groups on 8 October 1985, Mr Clinton Davis promised that there would very quickly be a proposal for a directive on experiments on animals, a directive which has been awaited for a long time but which has not yet been submitted.

People in the Community are impatiently waiting for this directive, and I should like to ask the Commissioner what he means by 'the near future'.

Mr Varfis. — (GR) Mr Clinton Davis did in fact give a commitment on behalf of the Commission that a draft directive on animal experiments would be produced as soon as possible. A precise timetable had not been fixed at the time because, as you know, the subject is rather complicated. I can assure the honourable Member that the Commission's departments have dealt with the matter thoroughly and I hope that very soon, that is before Parliament's next part-session in December, this proposal for a directive will be available.

6. Question Time

President. — The next item is the second part of Question Time (Doc. B2-1173/85). We turn to questions to the Commission.

Question No 42 by Mr MacSharry (H-75/85):

Subject: Cheap Dutch natural gas for horticulture

According to recent reports, the Dutch Government is continuing to provide cheap natural gas to its horticultural industry. In view of the considerable disadvantage which this places on horticulturalists in other Member States, will the Commission state what action it is taking to prevent this unfair practice?

Mr Narjes, Vice-President of the Commission. (DE) On 13 February 1985 the Commission addressed a final decision to the Netherlands Government stipulating the discontinuation of aids to horticulture in the form of preferential rates for natural gas. So far, the Netherlands Government has failed to comply with this decision as required by the Commission on 14 March 1985. Together with the Landbouwschap and two horticultural undertakings, it filed a suit with the Court of Justice of the European Communities for provisional suspension and annulment in principle of the decision.

The Court of Justice rejected the three suits on 3 May 1985, and on 8 May 1985 the Commission consequently called on the Netherlands Government once more to comply with the decision. After the Commission had contacted the Netherlands authorities with a

¹ Agenda: see Minutes.

² See Annex.

view to examining its proposed solutions, the Netherlands Government informed the Commission at the end of May 1985 that the arrangement agreed with the Commission in 1982 would basically continue to apply but with a ceiling of 45 cents per m³ for the horticultural sector for the two financial years from 1985 to 1987.

Since, in the Commission's view, this solution fails to comply with its final decision of 13 February 1985, it decided on 19 June, pursuant to Article 93(2) second indent of the Treaty, to bring the Netherlands before the Court of Justice for non-compliance.

The suit was filed on 16 July 1985.

Mr McSharry (RDE). — I thank the Commissioner for his reply, but I imagine that a similar reply could have been given five or six years ago on this particular subject. I do think that this is an example of the lack of confidence of the people of the Community in the Community institutions. I would like to ask the Commissioner whether he is aware that in many countries, but particularly Ireland, many horticultural producers have gone out of production because of dumping by Dutch producers made possible by the subsidy that they receive and continue to receive. This is a tragedy. It has been going on now for at least five or six years. I recall that even when I was Minister for Agriculture in 1980 and 1981 this situation already existed, and here we are in 1985 with the same story.

I am not saying the Commission is not trying, but I do think that this matter has got to be highlighted even more to show once and for all that it is not right for any Member State government to take action as the Dutch Government has done for five or six years at the expense of many producers in other countries. I would ask the Commission to do whatever is within its power forthwith. I think the Commissioner would agree that it has gone on far too long.

Mr Narjes. — (DE) The Commission shares the honourable Member's concern, which is why it wasted no time in filing a suit with the Court of Justice. It is astounded at the stubbornness with which the government of a Member State persists in distorting competition.

Mr Marshall (ED). — Mr President, can I say how unsatisfactory all of us find this particular situation. Many of us have constituents whose livelihoods have been ended because of this subsidy. We were promised action many years ago. The Commissioner can expect all of us in this House to support whatever action he takes to end this absurd situation and I am sure you will accept that this is as good a question as you will get at this stage in the evening.

Mr Narjes. — (DE) Thank you for the encouragement.

Mr Cornelissen (PPE). — (NL) Since we are talking about unfair practices on the part of the Dutch Government and dumping, I should like to ask the Commission the following question. Would we not be in a better position to judge this matter if we were given an idea of the price per kilowatt charged to horticulturalists in the Netherlands for gas-fired plants compared with the equivalent price charged to horticulturalists in other Member States of the Community for coal-fired installations? Furthermore, can the Commission confirm that this is not a question of supplies by the Dutch Government but, to be precise, a contract between the Gasunie and the Landbouwschap — not that this makes the problem any less important?

Mr Narjes. — (DE) As regards the first part of the question, I would refer you to the Official Journal of the European Communities containing the Commission decision of 13 February 1985 together with at least 10 pages of detailed justification, which describe the entire genesis and costs of this matter. This is the most up-to-date document on the subject and formed the basis for the Commission's suit with the Court of Justice.

As regards the second question, I would point out that the Gasunie is 50% State owned, either directly or via the State mines, and that the Government has a major say in price fixing, which is carried out in cooperation between the Gasunie and the Minister for Economic Affairs.

Mr Habsburg (PPE). — (DE) Mr Narjes, you know very well that German producers are among those who are currently being undercut by Dutch producers in a way which is no longer acceptable. Is there no way we can get things moving in this area, since it is obviously no consolation to tell those companies which have already been brought to their knees and are in danger of totally collapsing that you are taking the matter back to the Court of Justice — where it will drag on for another few years?

Mr Narjes. — (DE) I share the honourable Member's concern, but I would point out that the Commission's suit was filed with the Court of Justice as long ago as July, and it would appear from the reactions of the Court of Justice in May — i.e. its preliminary decisions — that it is equally aware of the urgency of this problem as of the need to ensure that Community law is respected, since if common legislation is to mean anything, it is essential that the verdicts of the Court of Justice should be adhered to in practice. The Community as such has no supreme power of enforcement.

Mrs Ewing (RDE). — As the former MP for the tomato growing area in the Clyde Valley who witnessed the death of an industry through unfair compe-

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tion and who saw the horticulturists destroying their glass houses, could I simply ask what is the time-scale of the Commission and to tell this House when they will solve this problem?

Mr Narjes. — (DE) As will be clear from the answer I have just given, the timescale depends first of all on the Court of Justice.

Mr Clinton (PPE). — Like our colleague, Mrs Ewing, I happen to have represented for twenty years a horticultural area that grew most of the crops that were produced indoors and I have certainly suffered a lot from having growers coming to me with their troubles. And to my knowledge these difficulties have been going on for ten to twelve years. Now if I am right in this, can the Commission tell me whether they are going to take any serious action because after these long years of dispute nothing has yet happened. I have heard on many occasions statements that action will be taken next year or in six months' time or in two months' time but nothing has happened. The Commission seems to be powerless, not over this alone but over many other things that we have reason to be dissatisfied with. Perhaps they can provide an answer?

Mr Narjes. — (DE) The Commission has been dealing with this matter since 1981. There have been two stop-gap solutions and the current situation has come into being because the Netherlands Government refused at the beginning of 1985 to continue an arrangement which had been in force up to then, and has introduced a system which we have denounced as unfair from the point of view of competition.

Mr Rogalla (S). — (DE) My question concerns the lack of supreme power of enforcement on the part of the Commission and links up with what Mr Clinton said. My first question is as follows: in the proposed additions to the Treaty proposed by the Commission in Luxembourg, was any thought given to the idea of a phased introduction of an enforcement instrument of this kind? Secondly, does the Commission not get the impression that it should intervene more publicly on questions of infringement of the Treaties?

Mr Narjes. — (DE) In answer to the first question I might point out that an attempt was made to launch something of this kind in the Dooge Committee, but unfortunately without success. Secondly, I can basically only agree with the honourable Member, but must point out that the staff and financial resources available to the Commission for publicity are not enough to enable it to give wide publicity in all cases where this would serve European interests.

President — Question No 43 by Mr Andrews (H-172/85), for whom Mrs Ewing is deputizing:

Subject: Coal imports from South Africa

In view of the joint declaration contained in Article 4 of the third Lomé Convention, in which the European Community proclaimed its 'determination to work effectively for the eradication of apartheid, which constitutes a violation of human rights and an affront to human dignity', and taking into account that South Africa is the main practitioner of the system of apartheid, what action will the Community be taking to ensure that the Member State stop or at least make a sizeable reduction in their support of the South African economy by their importation of coal from that country?

Mr Ripa di Meana, Member of the Commission. — (IT) In connection with the final act of the third Lomé Convention, the Member States of the European Community and the ACP countries proclaimed, in a joint declaration, their determination to work effectively for the eradication of apartheid, which constitutes a violation of human rights and an affront to human dignity.

The Community and the Commission itself have repeatedly condemned the apartheid policy pursued by the South African Government and the Community has, on numerous occasions, stressed the need to use every peaceful means available with a view to putting an end to racial discrimination.

As you know, an official Community delegation visited South Africa at the end of August of this year, in order to voice the concern of the Community and its Member States about the serious situation in that country.

The Member States have agreed on the need to take joint action *vis-à-vis* South Africa by means of a series of coordinated decisions. By the end of September they had reached agreement on the implementation of various measures involving both positive action and restrictions.

One of the subjects we discussed was restricting imports of coal from South Africa, and the Commission would like to draw Mr Andrews' attention to the fact that the Member States have kept open the possibility of deciding on further restrictive measures unless significant changes are made in that country within a reasonable period.

Finally, I would point out that ECSC trade operations, which, under Article 71, include imports of coal, continue to be a matter for the individual Member States.

Mrs Ewing (RDE). — I would thank the Commissioner for his very full answer. However, bearing in mind the declaration at Inverness about this matter, could I ask him to look forward to the time when the

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deadline will expire? Has the Commission any special action in mind in the event that Member States do not honour the declaration made in Inverness? Furthermore, are we not forgetting our desire to make the fullest use of our own natural resources, bearing in mind that we are in many cases looking for a market for our own coal? We are talking therefore not only of the immorality of the South African situation but also of the economic survival of the Community.

Mr Ripa di Meana. — (IT) On the first point, I must first of all inform Mrs Ewing that on 11 September, Mr De Clercq informed this Parliament that the Commission would examine the possibility of making proposals on this question and explained what it had done already. After examining the possibilities, we concluded that both kinds of Community measure — i.e. positive action and restrictions — were appropriate. The Commission therefore submitted the necessary proposals to the Council, which is currently examining them. The Commission will urge the Council to come to a decision in this respect.

The President of the European Parliament, the Chairman of the Political Affairs Committee and the President of the Committee on External Economic Relations have been individually informed by letter from Mr De Clercq. As regards the other point concerning a better balance in the Community's coal requirements, the observation you made — which otherwise is basically quite correct — ultimately comes up against the problem of low productivity and the high costs of coal production in many Member States of the Community. Nevertheless, reduced dependence on imported coal would be a good thing, in our view.

Mr Simons (S). — (DE) The Commission and the Council of Ministers have repeatedly stressed to this Parliament that further measures can be planned and implemented if no genuine reforms are forthcoming in the apartheid regime. I should therefore like to ask the Commission what further measures it actually has in mind and whether it will take account of what the European Parliament has frequently demanded in the preparation of such measures, since this is not only a question of coal, but also concerns halting imports of Krugerrands, gold and diamonds as well as restricting exports from the Community Member States. And can you also give a specific answer to the following question. What specific time scale does the Commission have in mind when it talks about 'a certain period'? Finally, can the Commission not make its preparations and proposals to the Council public? Can it not inform the European Parliament of what steps and measures it envisages.

Mr Ripa di Meana. — (IT) Mr Simmons, on 24 October Mr De Clercq told this Parliament that the Commission does not think that its job is finished now that it has drawn up proposals for practical measures and

forwarded them to the Council, but intends to continue its own action until the Council reaches a positive decision, i.e. adopts positive measures concerning the non-government bodies which are, by non-violent means, struggling to put an end to the apartheid regime in South Africa, and involving sanctions which may bring the South African Government back to their senses.

However, we do not intend to sit back complacently now that we have made proposals. As we see it, the Council should give a clear and practical reply by the end of the year, and we will bring pressure to bear to this end.

As regards the content of our request, I must remind you, for obvious reasons, of the reserve which the Commission has maintained in this respect since if, as we hope, these measures are adopted, their effectiveness will obviously depend on catching the Pretoria government unawares.

Mr Newman (S). — Bearing in mind that the chief obstacle to united European Community action in imposing serious sanctions against South Africa seems to come, within the Council, from the British Government, does the Commissioner not feel that the Commission should request the British Government to show that it is sincere when it says that it abhors apartheid by ceasing to obstruct action to stop coal imports into the Community from South Africa? Does he not feel that the British Government should lead the way by promoting alternative supplies of coal from the British pits which it is currently decimating?

Does the Commissioner feel that an approach of this kind would at least be worthwhile?

(Cries of 'Hear, hear!' from the Socialist Group)

Mr Ripa di Meana. — (IT) Mr Newman, the Commission, together with several other partners in the Community Institutions, was very concerned at the position adopted by the first meeting in Luxembourg, when it reserved the opinion of its own government and refused to join the other representatives in signing the declaration. However, the Commission has subsequently been very pleased to hear that these reservations had been rescinded and that the British Government had examined the Commission's proposals with all due care and good will in view of the seriousness of the question.

Should there be further difficulties with one government or another in the coming weeks, the Commission will take every legitimate step in its power and use any political pressure to overcome any wavering.

Mr Maher (L). — I am sure the Commissioner will agree with me that everything possible needs to be

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done to end once and for all this obnoxious system of apartheid and racial discrimination and offences against human rights. But would the Commissioner not agree with me that we in the European Community are being a little inconsistent in singling out South Africa and ignoring, for instance, the Soviet Union and its satellites, since there are great infringements of human rights going on where the people in Afghanistan are being punished because they want to defend their country against massive attacks from the Soviet Union?

I am totally against apartheid, but I think we are being inconsistent. If there are offences against human rights in more than one part of the world, we should oppose them all and not just one.

(Mixed reactions)

Mr Ripa di Meana. — *(IT)* As a fundamental principle, Mr Jacques Delors has already stated in this House on behalf of the Commission, and in no uncertain terms, that, as in the case of this free Parliament, there has been no connivance, short-sightedness or bias in its work.

Mr Habsburg (PPE). — *(DE)* As the Commissioner is aware, the French Government yesterday introduced measures to ban South African coal from the French market — which will lead to a 25% increase in the cost of electricity. At the same time, Mr Fabius tells us that coal imported from countries including Poland and East Germany will be used instead. I should like to ask the Commissioner what difference it sees, as regards human rights, between South Africa and the totalitarian communist regimes in Poland and East Germany and whether or not he agrees that this is a typical piece of hypocrisy.

(Applause from the centre and right — protests from the left)

Mr Ripa di Meana. — *(IT)* This is not a question for the Commission, but for the President of the Council. I do not therefore intend to answer it.

Mr Marshall (ED). — Can the Commissioner confirm that there are hundreds of thousand of jobs in the Community which are dependent upon continued trade with South Africa? Can the Commissioner confirm that there is no morality about condemning Community citizens to unemployment because we disapprove of the policy of the South African Government? Would the Commissioner not agree that the way to get the evil policy of apartheid reversed is to have discussions with the South African Government rather than to refuse to talk to them?

When Members of this House said there is a difference between the policy of Russia and the policy of

South Africa, can Members of this House tell me when a member of the Jewish community last represented the Soviet Union in a sporting event?

(Mixed reactions)

Mr Ripa di Meana. — *(IT)* I can only say that I personally deplore the fact that an opportunity for concentrating on a particular question and discussing it in depth is being used for irrelevant axe-grinding.

President. — Question No 44 by Mrs Ewing (H-386/85):

Subject: Scotland's exclusion from EEC anti-poverty programme.

Will the Commission comment on the Scottish Office's refusal to allow Scotland to participate in the 2nd EEC anti-poverty programme?

Mr Varfis, Member of the Commission. — *(GR)* When the British applications for aid under the Community's anti-poverty programme were being submitted, the Ministry of Health and Social Security pointed out to the Commission that, on the one hand, the Secretary of State for Scotland had decided that Scotland would not participate in this programme and, on the other hand, the Social Services Minister had accepted this decision on behalf of the United Kingdom Government. The Commission regrets this decision but cannot comment further.

Mrs Ewing (RDE). — I think I have a legal point here. I have a letter here from the Scottish Office Minister, a member of the cabinet, who simply says in so many words that he cannot be bothered to participate in a directive by which the Commission in its wisdom — and I think a very well arranged wisdom — tried to alleviate poverty problems.

I would just ask the Commission whether it does not think it odd that one Member State has singled out Wales, England and Northern Ireland as proper beneficiaries of a very good programme but, because we have this strange answer from one cabinet minister, Scotland, which although it is not poorer than Northern Ireland, may be poorer than the others put together, is being excluded from the Commission directive. I wonder if the Commission just says: 'Well that is too bad for old Scotland. It is a question of the internal arrangements of the British Government'. Could you, perhaps, use your good offices to say: 'It is very odd that one cabinet minister should block the availability of this excellent directive to the whole of the 5 million people of Scotland who have a colder climate, worse housing and more unemployment than any other part of Great Britain except, Northern Ireland'.

Mr Varfis. — (GR) This was and remains an internal problem of the United Kingdom. The Commission cannot intervene unless there is an infringement of Community law, and this is not the case here. So, as I said before, I regret that we are unable to do anything. If organizations send applications directly to us, we cannot accept them because they will not have gone via the normal channel.

Mrs Ewing (RDE). — On a point of order, there were 25 proposals from Scotland. They were blocked by the British Government and so did not reach you.

President. — That was not a point of order, Mrs Ewing.

Mr McMahon (S). — In his answer to Mrs Ewing the Commissioner said that it cannot intervene. Is he not aware that originally the Mezzogiorno was not included in the previous poverty programme. The Commission held discussions and talks with the Italian Government to find out why and the situation was eventually rectified. Would the Commission not consider reopening talks with the British Government especially as my own area had 19 projects in the pipeline but was impeded by the action of the Scottish Secretary of State from putting the projects forward? Would the Commissioner not consider reopening the issue as far as the British Government is concerned?

Mr Varfis. — (GR) Unofficial talks could be held on the subject with the British Government. What I said earlier was that the Community cannot intervene to impose on a Member State something which it is not obliged to do under the Regulation. Furthermore, these programmes are not allocated to the various countries on a quota basis but are selected according to their quality. These programmes may, as you say, be excellent, but if they do not come via the appropriate channel, the Commission has no option but to reject them. In this particular case, the fact that they do not come from the Secretary of State for Scotland means that the Commission has no possibility of intervening even if it regrets the fact. The matter has naturally aroused the Commission's interest and has been discussed by it.

Mr Elliot (S). — In view of the very small sum of money which the second anti-poverty programme had available and the fact that in Britain only 10 projects out of 250 submitted were able to be approved, that total including many worthy projects which are suffering loss of funding as a result of the British Government's abolition of certain county authorities and their cutting back on the financing of others so that these bodies are desperately looking everywhere, including the EEC, for any kind of help, does the Commissioner envisage a third anti-poverty programme in the near

future with a substantially increased financial provision?

Mr Varfis. — (GR) The amount is certainly insignificant, and when we talk about 25 million ECU to combat poverty, I would say that the amount seems ridiculously small, but if we wish to find ways of combatting poverty, there must of course be joint projects and studies and exchanges of information between the various countries. In any case it would be desirable to increase this amount. I must say that of the 25 million ECU intended to cover four years (1985-1988) 17 million ECU, i.e. about 75% of the total, has gone during the first year on programmes which have already been authorized. There are, I think, 61 programmes which have already been authorized by the Commission and are to be funded. Of these, 10 are from the United Kingdom. And to refer more generally to the activity of the United Kingdom, I think that of the total of 359 programmes submitted from the Community as a whole, approximately 200 are from the United Kingdom.

Mr McCartin (PPE). — Yesterday we talked about a 'People's Europe'. Can the Commission and Parliament accept a situation where a government stands obstinately between the citizens of this Community and their rights as citizens of this Community? Would the Commissioner consider as a corrective measure a proposal for an amendment of this regulation so that local authorities and health boards and voluntary organizations can make their application and have it considered along with the others? I am sure this Parliament and the Committee on Social Affairs and Employment would support this.

Mr Varfis. — (GR) In my initial reply I said that it is difficult for me to make any further comments. I do not think that it is a suitable moment for us to speak about corrective measures if other organizations submit programmes in a different way. It is not a question of corrective measures but a more general question which can be dealt with by the Commission and which is not solely a matter for the Social Fund.

President. — Question No 45 by Mr Van der Lek (H-452/85):

Subject: Protection of privacy

On 9 March 1982 the European Parliament adopted a resolution calling for a number of measures for the protection of personal data. In particular a directive was called for on the protection of individual rights in connection with the automatic processing of personal data. In addition, the Member States were urged to sign and ratify the Council of Europe Convention and the accession of the Community to this Convention was called for.

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On that date, the Commission agreed to propose 'that a directive be enacted pursuant to the EEC Treaty' if the Council of Europe Convention was not signed and ratified sufficiently early by the Member States. To date, however, the only Member States to ratify this Convention, even in its present moderate and non-watertight form, have been France and the Federal Republic of Germany.

In our opinion, existing national policies to protect individual privacy in the various Community Member States are totally inadequate. Given the speed of technological progress, there is an urgent need for adequate legislation.

Can the Commission indicate why, to date, the promised proposal for a directive has not been forthcoming, when such a proposal may be expected and what steps it has since taken to induce the Member States to sign and ratify the Council of Europe Convention?

Mr Narjes, Vice-President of the Commission. — (DE) The timetable which the Commission included in its recommendation of 29 July 1981 on the ratification of the Council of Europe Convention on the Protection of data has proved to be over-optimistic. According to Article 4 of the Convention, the adoption of appropriate national legislation is an essential prerequisite for ratification. The delays which there have been are attributable to this requirement and the difficulties which the individual Member States of the Council of Europe have encountered in meeting it. Given the speed of technological progress, the legislator must indeed strike a careful balance between the requirements of free information exchange and the protection of the individual.

So far, two Member States of the European Community, i.e. France and Germany, have ratified the Council of Europe Convention while six further Members i.e. Italy, Belgium, Luxembourg, the United Kingdom, Greece and Denmark, have signed it, but not yet ratified it. However, in most of these countries progress has been made towards national legislation on data protection as required for ratification. In view of the complexity of these problems, the Commission feels that a proposal for data protection legislation within the Community would stand little chance of success under present circumstances and could even interfere with the procedures already underway at national level. In particular, the Commission does not know why two Member States, i.e. Ireland and the Netherlands, have so far not even signed the Convention.

Mr Van der Lek (ARC). — (NL) I understand from the Commission's answer that the intention is no longer to prepare a Community level directive or recommendation. May I ask the Commissioner whether or

not he agrees that there are a number of important gaps in the Council of Europe Convention on matters such as linking or the practical aspects of the protection of privacy — which could, for example, involve setting up control bodies in companies and institutions — and that the Community should therefore come up with a more watertight and really stringent directive in this area?

Mr Narjes. — (DE) There can be no doubt that the Council of Europe Convention of 1981 was not ideal, but the very fact that two Member States have so far not even signed it, while six others have signed it but not ratified it, even though they have had some four years to do so — would suggest that Community legislation which was even more stringent and comprehensive than that of the Council of Europe would stand some slight chance of success. I should also like to draw your attention to a further point. Since cross-frontier data protection involves keeping checks on a situation which it is very difficult to keep track of, and since there is great mobility of data, any arrangement which did not include the neighbour states of the Community would have loopholes. Such an arrangement would be of no use to anyone, since what is the point of the most efficient data protection system imaginable if a single computer command would be enough to send all the data to a nearby country where data protection was less stringent.

Mr Wijzenbeek (L). — (NL) Since questions and answers have been so long-winded up to now, I should like to put a very short question. Why has the Commission not reacted to the failure on the part of certain countries to sign the Convention as they should?

Mr Narjes. — (DE) The Commission has been constantly in touch with these countries since 1981. However, the countries in question have their reasons for not having ratified or even signed the Convention, and these reasons fall outside the Commission's competency.

President. — Question No 46 by Mr Ford has been withdrawn.

Question No 47 by Mr McMahon (H-485/85):

Subject: Community steel policy for the 1990s

Can the Commission please give an up-to-date state of progress in the drafting of Community steel policy for the 1990s and in addition to this would the Commission please indicate if quotas have been fixed for the relevant Member States?

Mr Narjes, Vice-President of the Commission. — (DE) There is a fundamental difference between, on the one hand, the memorandum entitled 'General Objectives

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for steel 1999' issued on 31 July 1985 pursuant to Article 46 of the ECSC Treaty and, on the other, the production and supply quotas which can be introduced pursuant to Article 58 of the ECSC Treaty in the event of a manifest crisis on the steel market. The general objectives are drawn up at regular intervals and contain medium-term economic guidelines for the sector, i.e. in particular the steel companies in the Community. The memorandum gives a rough idea of anticipated developments in demand, production capacity, the employment situation and supply over the next five years. I might draw your attention to a particular point in this memorandum which was submitted to this Parliament.

In the Commission's view, we can expect the steel market to settle down at around the present production level by 1990 and there will probably be a further reduction in the imbalance between supply and demand thanks to the restructuring process — which is still in progress. However, the Community steel industry is called on, in the interests of a genuine market balance and further reduction of the extra capacity which still exists, to reduce this capacity off its own bat, to constantly improve the quality of products and to fix prices at a level which will be competitive on the world market.

Mr McMahon (S). — In the light of the fact that the United Kingdom Government has reduced steel capacity by 500 000 tonnes although it was only asked to reduce it by 400 000 tonnes, would the Commissioner not agree that the United Kingdom has fulfilled its obligations and that there is thus no further need for additional capacity reductions, especially the closure of the Gartcosh steel plant and the resulting threat to the strip mill at Ravenscraig?

Mr Narjes. — (DE) Under the restructuring programme which expires on 31 December of this year, the United Kingdom — or to be more precise the British steel industry — has made its full contribution to the elimination of a total of 32 million strip mill capacity. As I said in my answer, responsibility for future developments in Community capacity lies exclusively with the individual companies, who must decide for themselves whether and to what extent they wish to adjust their capacity to likely demand or to what extent they think this is unnecessary.

Mr Cryer (S). — Can the Commissioner give some reasonably sound assurances about the future of the steel production areas in the United Kingdom both the memorandum on steel and the annual economic report of the Commission talk, as he says, about further continuing restructuring. Now this sends shivers down the backs of steelworkers, because in ordinary plain English it means putting hundreds, perhaps thousands, more steelworkers on the dole.

Could he not give this Assembly an assurance that, after having massive cutbacks already in the United Kingdom, he thinks that the United Kingdom should be able to preserve its existing steel capacity, particularly in view of the fact that at the end of this month 1100 jobs are going to go at Tinsley Park steelworks in Sheffield, which is only 22 years old? That surely is an indictment both of the Commission and of the United Kingdom Government.

Mr Narjes. — (DE) I do not intend either directly or indirectly to endorse or contradict the opinions expressed by the honourable Member concerning individual undertakings. I would point out, however, that as from 1 January 1986 the responsibility for further structural measures in the steel industry will rest exclusively with the companies themselves and not with either the Commission, the Community or the national governments. Thus, every individual company will have to decide — on the basis of its market position, its product structure and its cost structure — whether it stands a chance of competing. This cannot be decided artificially in advance by means of directives or such like. I would therefore ask the honourable Member to ask the individual companies involved what costs, marketing or structural problems there are which could be overcome by suitable measures so as to allay the workers' fears of lost jobs, which he mentioned.

Mr Pearce (ED). — Would the Commissioner give an undertaking that in the United Kingdom there will be a fair allocation of quotas as between private sector steel industries and public sector steel industries? In the past the loss-making state-controlled steel industry received favourable treatment compared with private sector firms requiring and getting no public finance, with the result that the latter have been driven out of business, like Bidston Steel, due to the incompetence of the nationalized British Steel Corporation.

(Protests from Mr Cryer)

Mr Narjes. — (DE) The Commission has always endeavoured in the past — and will continue to do so in the future, where necessary — to ensure fairness and full application of Community legislation without any discrimination for every undertaking in every Member State — regardless of the ownership structure.

Mr Marshall (ED). — On a point of order, Mr President. I heard Mr Cryer make some very unparliamentary comments about Mr Pearce. I do feel, Mr President, that members of the British Labour group should behave in a way that is parliamentary and dignified.

President. — Mr Marshall, I cannot really recall that anything unparliamentary was said, even in the British tradition.

Mr Fitzgerald (RDE). — I will try and keep away from referring the differences between the British Labour Party and the British Tory Party on this particular issue.

In view of the fact that for more than 10 years now we have been hearing about the restructuring of the steel industry and, as Mr Cryer has said, basically what that has meant is a loss of jobs over that period which is still continuing, is the Commissioner now saying to us that despite the investment by national governments, with the aid of Community funds, in companies such as Irish Steel and despite the fact that sanctions are imposed by countries like the United States, from 1 January next those companies are now on their own and those people who work in the European steel industry will no longer have the support of the European institutions?

Is he saying to us that just like the European textile industry, the European steel industry is to be allowed to die too? If that is so, then I think the Commissioner and the institutions have failed, despite the investment, the effort to modernize . . .

President. — You are making a speech now, Mr Fitzgerald. You have asked some questions: let the Commissioner answer them.

Mr Fitzgerald (RDE). — Would you blame me, Mr President, when I, too, have in my constituency, a company like Irish Steel, which has consistently lost jobs over 12 years?

Can I ask the Commissioner to reassure us that he will ensure that there will be no sanctions or at least that the Commission will fight to help the European steel industry?

Mr Narjes. — (DE) Mr Fitzgerald has indeed made a number of remarks which should not be left uncontested.

Firstly, the Community has been remarkably successful in the restructuring of the steel sector over the last ten years. This has resulted in an average capacity utilization of 70 to 80% and, with one or two exceptions, all companies are in credit, i.e. they are making profits, and we have a productivity structure which we have not known in the Community for a long time. Thus, the legal bases for the application of Article 58 continue to obtain only to a limited extent — more precisely, they will cease to exist category by category over the next 36 months. That is to say, at the end of this period normal ECSC legislation will apply. This is not a penalty, it does not mean the sector is unprotected and it is not a situation which militates against workers' interests but, thank God, simply a return to normality. Having said this, I should draw attention to the fairness of the situation from the social point of

view, in that while the restructuring has cost almost 400 000 workers their jobs it has at the same time probably cost the taxpayer something in the order of 100 to 130 000 million DM. We should also bear these two figures in mind when assessing the process as a whole. As regards further developments, these will depend entirely on what happens to the demand for steel, which is something which no state or public authority can affect in any way. The demand for steel depends primarily on the substitution process and developments in the quality of steel, and these are both processes which will in the medium — term become increasingly apparent — and this is something which the memorandum forming the starting point for this discussion took into account, i.e. they will tend to reduce the demand for ordinary steel and bring high-grade steel up against fierce competition from synthetic materials, ceramics and light-metal alloys, which the steel industry will be able to survive only if its products can truly compete with the substitute products in terms of price and quality. This is the way things stand and anyone who tells the workers anything else is deceiving them.

Mr Wijsenbeek (L). — (NL) Mr President, on a point of order I should like to remind you of paragraph 1 of Annex II of our Rules of Procedure, which reads as follows:

Questions shall be admissible only where they

- are concise and are drafted so as to permit a brief answer to be given; (. . .)
- do not contain assertions or opinions;
- do not relate to strictly personal matters;
- are not aimed at procuring documents or statistical information;
- are interrogatory in form.

What are you actually doing here, Mr President?

(Laughter)

President. — Mr Wijsenbeek, you have made your point now. Everybody is aware of the Rule.

As the author is not present, Question No 48 will be answered in writing.¹

Question No 49, by Mr Christodoulou (H-495/85):

Subject: Progress in drawing up the Integrated Mediterranean Programmes

Article 5(3) of Regulation No 2088/85² on IMPs provides that the Member State concerned shall

¹ See annex 'Question Time'.

² OJ No L 197, 27 July 1985, p. 1.

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keep the Commission informed of the preparation of the various IMPs'.

Would the Commission state what stage Greece, Italy and France have reached in drawing up the programmes they are supposed to submit under this regulation?

Mr Narjes, Member of the Commission. — (DE) The three Member States affected by the IMPs are responsible for developing the necessary coordinating structures to ensure smooth implementation of the programmes. There are regular contacts with the Commission, and the Commission is conducting a programme under which delegations are sent to the regions in question in order to provide information necessary to assess national and regional efforts and to give technical assistance.

The Greek Government has submitted an initial draft for an IMP for Crete. A Commission delegation, headed by an expert in the field, visited Greece between 6 and 12 November in order to provide on the spot help in the preparation of the first IMPs for Greece. Other initial drafts are currently being drawn up by the Greek authorities.

Mr Christodoulou (PPE). — (GR) I should like to ask the Commissioner whether France and Italy have submitted programmes or — if I have understood correctly — have not submitted any at all.

I should also like to ask him to tell me whether the programme submitted by Greece meets all the conditions to enable it to be implemented soon, and also whether he can tell me, on the basis of the indications he has concerning the programmes which will be presented, what proportions of the funds which will be available for the Mediterranean programmes in 1987 will go to each country.

Mr Narjes. — (DE) As regards adoption and deadlines I can only say that the Commission expects the majority of the IMPs to be adopted in the course of 1986. However, since the closing date for the submission of drafts for IMPs is 31 December 1986 — as stipulated in Article 5 (1) of Regulation No 2088 of 1985 — it is possible that a number of programmes will be adopted in 1987.

I do not for the moment know whether any programmes have been submitted by France yet. It is of course possible that further programmes will be submitted. As regards the funds envisaged for the individual programmes, I will only be able to answer this question when we have more details of what applications we have received and when we received them.

Mr Musso (RDE). — (FR) I do not think the Commissioner has given a very precise answer to Mr Chris-

todoulou's question. However, since he mentioned what was happening in other countries — particularly in France — I would like to draw your attention to the following point. You said that the closing date as stipulated in the Regulation was 31 December 1986. I should therefore like to ask why the Commission, which is responsible for applying this Regulation, has allowed certain governments, and in particular the French Government, to fix a different date from that stipulated in the Regulation, i.e. 15 September 1985, for the regions to prepare their programmes? Starting in August, this gave them a month and a half to draw up their programmes.

Mr Narjes. — (DE) I have no information concerning the administrative deadlines specified in the individual Member States. The deadline I mentioned is the date by which the programme must be submitted according to the relevant Community Regulations, i.e. 31 December 1986. As regards Mr Christodoulou's question concerning funds, I may have misunderstood it and taken it to apply only to existing projects. The overall financial framework is obviously familiar to you all. We have asked for additional 1 600 million ECU. We wish to provide a total of some 2 500 million ECU in the form of loans with special interest rates and we want to ensure that our structural fund can also be brought up to this level. However, these figures give no indication of how the individual projects mentioned by the honorable Member are to be financed, particularly as they have not yet been adequately assessed in detail.

Mr Christodoulou (PPE). — (GR) It seems that the Commissioner did not understand the question. May I repeat it?

President. — I am afraid not, Mr Christodoulou.

Mr Pearce, do you wish to put a supplementary? You know that IMPs are Integrated Mediterranean Programmes and not Integrated Merseyside Programmes, don't you? Anyway, fire away, Mr Pearce.

Mr Pearce (ED). — Thank you for that lead, Mr President. I was going to ask you if Merseyside could have the same sort of facility. However, seriously, will the Commissioner accept that it is a little alarming that he does not know what measures the French Government has taken as regards the dates for this operation. Will he accept that that kind of statement leaves much doubt in many minds as to whether the Commission will ever know, or ever bother to find out, whether the money is properly spent for the purposes for which it was intended?

Mr Narjes. — (DE) I think Mr Pearce has the wrong end of the stick. It is up to the individual Member

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States to submit their programmes and how they go about it at national level is a matter for them to decide. The task of the Commission is to ensure that Community law and Community deadlines are respected. Thus, provided the Member States stick to these rules, how they go about it administratively, at what level and with what deadlines, is a secondary consideration as far as we are concerned. Obviously the procedures will be different in every Member State because the administrative structures are different. I do not think it is correct to conclude, therefore, that we do not know what we are doing and do not have the matter under control.

President. — Question No 50 by Mr Fitzsimons (H-500/85):

Subject: Legionnaires' Disease

Will the Commission outline its position with regard to the outbreak of Legionnaires' Disease in the United Kingdom in recent weeks and state whether or not it would support a call for special common measures to deal with the cause of the disease to be agreed at EEC level?

Mr Varfis, Member of the Commission. — (GR) In April 1985 there was, as we all know, an outbreak of legionnaires' disease, which is a type of respiratory infection. This occurrence is associated, as we all know, with the Stafford General Hospital in England, since it is thought that the source of the infection was the hospital's outpatients department.

Also — and I refer to known facts — this disease is propagated by water and ventilation systems, and the most likely explanation for the outbreak in this particular case is that the disease was spread by the ventilation system. It is thought that owing to a design fault a reverse water current enabled the microorganism to enter the cooling system of the ventilation circuit.

Further epidemiological, microbiological and technical tests are currently being carried out. The Commission will take account of the conclusions of these tests when they are completed and will then, if necessary, look at whether joint measures need to be taken to tackle the causes of this disease or the problems associated with it.

Mr Fitzsimons (RDE). — I thank the Commissioner for his reply. However, is the Commission aware that there is reason to believe that up to 10% of patients contracted the disease while under care in hospital? That according to UK figures a number of people have died in hospital around the world? My question was in actual fact tabled before the recent outbreak of the disease in Scotland to which the Commission has referred as recently as last week. I would ask the Commission whether it does not agree that there should be

a far more coherent and more coordinated approach to medical research within the Community, since there are so many areas where joint research could produce speedy and effective results, not only in the case of Legionnaire's disease, but also in the field of development of a cure for AIDS, and in other areas such as discovering the cause of cot deaths...

President. — Mr Fitzsimons, I do not want you to throw the medical dictionary at the Commissioner. I think you have given him enough to answer and I am sure he would like to answer you now.

Mr Fitzsimons (RDE). — I will conclude on a better note. No later than yesterday, the Commissioner announced in Brussels that 4.5 million IRL would be available for cancer research in the future. That is why I emphasize the need for the coordination of research in relation to all these diseases which are so prevalent in our society today.

Mr Varfis. — (GR) I think there are two different subjects. The one is that of research on combatting new and old diseases throughout the world and possibly the improvement of such research within the Community with a view to obtaining better results through coordinating efforts and resources.

The other subject concerns taking health and safety measures and laying down common rules for the prevention of these diseases. In the particular case of legionnaires' disease which has broken out and has unfortunately proved fatal in a number of cases, no conclusions can yet be drawn. In many Member States measures are being taken to prevent it, especially as regards the sterilization of water and the temperature of hot water tanks, which are often considered to be the source of the spread of the disease. But it is very difficult and premature at the moment to say that we must take emergency measures to deal with this occurrence. Furthermore, as we know, there are other epidemics nowadays which cause greater concern.

Mr McMillan-Scott (ED). — As will become evident to those Members who stay late to hear me present my report on the COMETT programme, I am suffering myself from a disease which I know as the Strasbourg disease which afflicts me each time I come here. I am not the only Member of this House who suffers from the neon lighting and from what is now known to be the disease produced by the air-conditioning in this building. I invite the Commissioner to say whether he believes there is just cause for a further investigation into what makes the buildings in Strasbourg so impossible to work in and whether he feels the Commission should take a stronger line in sorting this particular problem out.

Mr Varfis. — (GR) I should like to say that since I have been here I too have felt that the atmosphere may have a negative effect. But there may be psychological reasons for this, since we hear people saying it so often that we may really be influenced by this general opinion.

But if I may express a personal opinion, I think that this is perhaps more a matter for Parliament than for the Commission.

Mr Raftery (PPE). — Since the source of Legionnaire's disease is invariably the water used in air-conditioning or air-cooling systems in buildings, I wonder if the Commissioner would think that in the case of large buildings which have these systems, the owners should be obliged to have the water sterilized regularly to avoid this kind of terrible tragedy which when it occurs, usually affects large numbers of people.

Mr Varfis. — (GR) This is done in many Member States. In this case, if the outbreak of this particular disease really requires stricter measures going as far as a Community directive supplementing the other measures relating to health, it is something which must be looked into. This is why, as I said before, studies are being carried out and we are waiting for them to be finished in order to look into them and, if necessary, take a decision.

Mr Zahorka (PPE). — (DE) When examining the so-called Strasbourg variant of Legionnaire's disease will the Commission take account of the fact that a unit of the French Foreign Legion is stationed here in Strasbourg and might have something to do with it?

(Laughter)

Mr Varfis. — (GR) However similar the words are and we use the word legionnaire in two meanings the question has not got all that much to do with the one which was initially asked and to which I replied.

Mrs Viehoff (S). — (NL) We may well make jokes about the air-conditioning in this building, but the Committee on Energy, Research and Technology once addressed a very serious request to the Ispra department specializing in the study of pollution inside large buildings to look into this matter, since there have been complaints for years now. I understand that Mr Varfis suffers from it himself and I think it is nice of him to say that it is probably more psychological than anything else. I think that it has something to do with the entire climate in this building not just the psychological atmosphere.

The President of this Parliament then promised that these matters would be taken into consideration when the alterations were made to the chamber.

However, I get the impression that nothing has changed. If the Commissioner himself suffers from this problem, it would be nice if the Commission could inform the President of this Parliament once more whether or not the question was indeed looked into and changes made, since even if the problem does not affect all the Members of this Parliament, the interpreters certainly have to work under even more annoying conditions than they would otherwise.

President. — Mrs Viehoff, I shall short-circuit this particular question. Parliament has had a survey conducted and if you write to the President you can get the results. They have promised to carry out some more investigations in the fairly near future.

Mr McMillan-Scott (ED). — In that case, perhaps the President would be kind enough to tell us what the result of that investigation was?

President. — All I can tell you is that they were satisfied with the results. You can write to the President and get all the details yourself. This is out of order for Question Time.

Mr de Courcy Ling (ED). — I think I am right in saying it was a member of your group, the Socialist Group, who instigated the survey into the air conditioning problem of the hemicycle here. She was not satisfied with the result. She said that here she had constant problems with her lungs . . .

President. — Mr de Courcy Ling, I am sorry to have to stop you, but this is not a proper matter for Question Time. Write to the President if you want further information.

Question No 51 by Mr Raftery (H-503/85):

Subject: European spirit among our young people

Considering the accession of Spain and Portugal to the European Communities and the fact that this is International Youth Year, would the Commission not agree that an extension in size of the *stagiaire* training programme is now urgently required in order to foster a greater European spirit among our young people?

Mr Varfis, Member of the Commission. — (GR) I fully agree with the honorable Member on the importance of fostering a European spirit among young people. I also agree with him that the *stagiaire* training programme organized by the Commission is an excellent way of achieving this aim.

The Commission hopes that the Budgetary Authority will approve the appropriations which have been

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requested to enable this scheme to take account of the enlargement of the Community. I should like to add that I think a good beginning has been made today in that one arm of the Budgetary Authority has reinstated under this particular chapter the appropriations which had been requested by the Commission.

Mr Raftery (PPE). — I am pleased to note that a good start was made today. I am also informed that the Commission has been increasing the number of unpaid *stagiaires* at the expense of those who receive a Commission grant. If that is the case, I think it is the worst kind of penny-pinching. Perhaps the Commissioner could enlighten us.

Mr Varfis. — (GR) Each year about 500 young graduates are selected to work as *stagiaires* for a short period, usually 5 months, in the Commission departments. This number has remained constant over the last few years for the reason to which I have referred, namely that the budgetary appropriations have remained at a constant 1 million ECU or thereabouts. This has been the amount provided for, but the Commission has always transferred appropriations from one chapter to another, so that there has been an increase. Consequently, we can say that in recent years there has been no change in this area, and it is our aim to increase the number of *stagiaires* precisely to take account of the enlargement of the Community so that there can also be *stagiaires* from the new Member States without a reduction in the number of those who come from the old Member States.

Mr Pearce (ED). — Referring to the title of this question about European spirit, will the Commissioner accept that the 'European spirit' has really nothing to do with spiritual or esoteric or philosophical matters or the matter of employing *stagiaire* any more than the term 'European spirit' could allude to a mixture of ouzo, schnaps and Irish whiskey, but that it has to do with practical achievements of European union that affect the ordinary lives of ordinary people? Will he, in that sense, support the work of the Kangaroo Club, which is trying to bring about real unity in Europe by abolishing customs and passport barriers? Will he congratulate the honourable proposer of this mention, who breeds, I believe, 30 kangaroos in Ireland, and express the hope that those kangaroos which Mr Raftery is breeding will help get ride of the nonsense of customs barriers and passport controls inside what is supposed to be a common market?

(Laughter)

President. — Mr Pearce, you have jumped way beyond the spirit of this question, but if the Commissioner wants to answer, he may.

(Laughter)

Mr Varfis. — (GR) I take your point about the European spirit, and of course we agree with any action which contributes — in the widest sense — to achieving European unity. Such actions may include those to which the honourable Member refers.

Mr Rogalla (S). — (DE) Following on from the questions which have been put, I should like to express my concern at the fact that not enough initiative is being exhibited in this respect and I would like to ask with particular reference to the point made by Mr Narjes — i.e. that the budgetary resources available were inadequate — whether or not the Commission realizes that the young people employed as *stagiaires* also help to spread European awareness? Why does not the Commission do more to promote success in this respect?

Mr Varfis. — (GR) The subject is certainly very general. With the means which the Commission has at its disposal and on which the Budgetary Authority decides, we endeavour — and this is the Commission's job — to achieve the maximum possible result both as regards the length of the training periods and as regards their frequency, content and quality. Now, as regards the more general subject, it is difficult to say that the Commission could propose any more, since what it proposes is subject to cuts every year, since the amounts which are approved by the Budgetary Authority are smaller than those proposed by the Commission.

Mr Patterson (ED). — (EN) Can the Commissioner state how many Spanish and Portuguese *stagiaires* there are at present in the Commission?

Mr Varfis. — (GR) The number of *stagiaire* from the two new Member States in 1985 is 39 from Spain and 29 from Portugal.

Mr Clinton (PPE). — Mr Raftery raised a rather interesting question that I feel has not been answered. He referred to the fact that there were some *stagiaires* who were getting some reward while they were learning something there, and others who were getting nothing. There was no reference to that in the Commissioner's reply. I would like to hear something about this.

Mr Varfis. — (GR) There are indeed two categories. There are some who ask to do a *stage* without being paid, and of course their applications are very often accepted. The Commission's definite aim is that there should be people who wish to come and do a *stage* irrespective of the constraints imposed by the budget, since it considers it useful. If I understood your question correctly, I do not think that the one is

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detrimental to the other. If there were more funds, there would also be more *stagiaires*. The fact that the funds are used up on only a limited number of *stagiaires* should not, in my view, prevent others from coming.

President. — Question No 52, by Mr Pasty (H-504/85):

Subject: Selective support for specialized livestock farms

The disastrous situation on the beef-and-veal market in France and Ireland is hitting specialized farms particularly hard; even though they do not produce milk they are suffering as a result of the slaughterings of dairy cows in the wake of the introduction of milk quotas. With farmers being thus discouraged from producing, this situation could lead in two or three years' time to a shortage of beef and veal in the Community, and this will benefit beef-exporting third countries. What emergency measures does the Commission intend to propose to head off such dire developments by allowing selective support for specialized livestock farms? Does it intend to propose a substantial increase in the suckler cow premium backed up by the abolition of the variable slaughter premiums and calving premiums paid in certain Member States?

Mr Narjes, Vice-President of the Commission. — (DE) In view of the current difficulties in the beef sector throughout the Community, the Commission regards it as vital to concentrate all its efforts on supporting beef prices, as in 1984, i.e. by means of state intervention, aids to private storage and export refunds. State intervention and aids for private storage are currently restricted to meat from adult male animals and the export refunds for such meat are higher than for meat from female animals.

Thus these are selective measures which primarily affect specialized beef production, but also indirectly benefit the entire beef sector. As regards the suckler cow premium, the Commission would point out that it has always been aware of the important role played by this measure, which is the only real Community premium among all the various premiums in the beef sector. It has unfortunately been impossible to increase these premiums in the past because of the budgetary limitations with which you are familiar.

I should like to remind you at this point that the Commission proposed no continuation of the variable slaughter premium and the calving premium for 1984/85 or 1985/86. However, the Council has decided differently. For 1986/87, the Commission will take account of the views of the honourable Member and the Parliament resolution on the beef sector and adopt an opinion in the context of the agricultural price proposals.

Mr Pasty (RDE). — (FR) I should like to know whether the Commission intends to propose increasing the premiums to specialized meat producers in its price proposals for the back-up measures for 1986/87, which it is currently examining.

I should also like to put another related question. My country submitted a programme under the guidance section of the EAGGF for specific activities to benefit suckler cow herds and I would be grateful if the Commission would tell us what progress has been made with this file.

Mr Narjes. — (DE) The Commission has not yet decided on its price proposals for 1986/87 and I cannot therefore give you any details as to what they are likely to involve. As regards the French measures, the Commission has not yet finished studying them.

Mr Elliott (S). — With something like 3/4 of a million tonnes of beef in cold storage in the Community and several hundred tonnes in my own constituency, does the Commission really believe, as the question suggests, that within a few years there could be a shortage? Rather more generally, how can it possibly be justified that farm producers should be so cosseted when, as we were discussing earlier this evening, steel and coal production is being slashed back and exposed to the rigours of the market with millions put out of work?

Mr Narjes. — (DE) I do not know to what extent the analogy with coal and steel is appropriate. I certainly take the view that the measures introduced to support the beef market represent the best possible policy mix we could have come up with under the circumstances and in view of the budgetary restrictions and I think they will help avert a possible shortage of calves in a few years time as a result of the farmers being discouraged.

Mr McCartin (PPE). — The author of the question mentioned the situation in the beef industry in France and Ireland: Is the Commissioner aware of the difference between the prices paid to producers in France and in Ireland? Is he aware that when aids to private storage were introduced recently in Ireland and the intervention system was extended to include sides, the price of beef actually dropped? Is the Commission taking any measures to ensure that there will be some relationship between the price guaranteed to the processors of beef and the price actually paid to the farmers who produce it and sell it to these processors?

Mr Narjes. — (DE) The Commission is keeping a very close eye on price developments in the various Member States. It has not yet drawn any conclusions from the facts mentioned by the honourable Member.

Mr Maher (L). — Has the Commission put any measurement on the effect of the implementation of what has now come to be known as the buying up scheme proposed by the Commission on the further slaughtering of dairy cows and on what effect that will have on the beef industry?

Finally, would the Commissioner express a view as to why, if farmers are so cosseted, as another Member has said, the farm population has fallen by half in the last 16 years? Why are they all leaving this industry?

Mr Narjes. — (DE) The Commission is fully aware of the social, regional and occupational implications of the measures currently in force and for this reason has also tried to take what appeared to be the appropriate measures to prevent further imbalances on the market on the one hand whilst at the same time maintaining the structural changes.

President. — Question Time is closed.¹

Mr Wijsenbeek (L). — (NL) May I once more draw your attention to a number of points under paragraph 1 of Annex II of the Rules of Procedure? Firstly, I would point that we have managed to deal with a total of 11 questions during Question Time and this was particularly due to the fact that the Commission failed to respect the rules set out in the Annex just as much as the Members of this Parliament. May I point out, for instance, that the British House of Commons is capable of dealing with 80 questions in one hour while we can only cover 11. May I also point out that on this occasion Question Time was held on Thursday evening which may have meant that the questions put by some Members — myself included — were a little longer than was strictly necessary. May I urge the Bureau to see to it that rule one in Annex II of the Rules of Procedure is strictly adhered to in future.

President. — Mr Wijsenbeek, I tend to agree with you and I hope something is done about it, especially on points of order.

(Laughter)

7. ERDF-Enlargement

President. — The next item is the joint debate on:

- the report (Doc. A 2-138/85) by Mr Hutton, on behalf of the Committee on Regional Policy and Regional Planning, on

the proposal from the Commission to the Council (Doc. C 2-65/85-COM(85) 331 final) for a regulation amending Regulation (EEC) No 1787/84 on the European Regional Development Fund

- the report (Doc. A 2-143/85) by Mr Vandemeulebroucke, on behalf of the Committee on Regional Policy and Regional Planning, on regional policy in Spain and Portugal and the consequences of enlargement of the European Community.

Mr Christopher Beazley (ED), deputy rapporteur. — Mr President, I know that with your sincere political background you will appreciate the hardship endured by people who work anti-social hours. If I may before I introduce Mr Hutton's report thank Mr Commissioner Narjes who has just left. I spoke with Commissioner Narjes earlier today about the tin crisis which affects my own constituency. I happen to know that Commissioner Narjes is on his way to Japan and I am speaking in replacement of Mr Alasdair Hutton who is on his way to Australia.

I really wonder how many European citizens realize what the European Community demands of the members of the European Parliament and of the Commission, it being so frequently derided in our national presses. Mr Wijsenbeek just asked a very good question relating to the House of Commons but I wonder how many of our representatives realize the taxing nature of commitment to the European ideal.

Having said that, there is a convention in the European Community to pay compliments to people who are present. Having paid a compliment to Mr Narjes who is absent I now wish to pay a compliment to Mr Hutton, who is also absent. He has produced a report which is extremely important yet relatively brief. Many of our reports are extremely long. I am aware that I have limited time: if I were a national representative of course I could speak until midnight and it would make no difference. But I would wish to pay a compliment to Mr Hutton, because he has actually produced a report here which is very much to the point and very brief. In 40 days' time the European Community will be celebrating Christmas. In 47 days' time the European Community will be celebrating the accession of Spain and Portugal. I have just returned from Madrid via Truro and in both Madrid and Truro I noted extreme enthusiasm for the European Community and I only wish it were shared universally.

This particular report, by the European Democratic spokesman for the Regional Committee, concerns a proposal from the Commission of the European Communities to the Council for a regulation amending Regulation No 1784/84 on the European Regional Development Fund to accommodate the accession of Spain and Portugal, two European countries whose contribution to Europe has been immense. And yet sadly in recent times they have been politically

¹ See annex 'Question Time'.

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excluded and isolated from European political activity. The report deals with the effect which the accession of Spain and Portugal will have on the shares each Member State will receive from the ERDF. The report endorses the Commission's proposals for a straight, forward linear reduction of a little over 30% in the quota ranges of the existing Member States to allow Spain and Portugal to take a share of ERDF balanced against other countries.

Mr Hutton, the rapporteur, and the Committee on Regional Policy and Regional Planning, believe that in view of the enormous difficulties which surrounded the agreement on the existing balance between the Member States a change now in the relationship of the quota ranges would be unrealistic. They have therefore decided to recommend that the Parliament should accept the Commission's suggestion on the new quota-ranges and preparatory to this report the rapporteur attempted to have the existing ranges re-calculated using the Commission's synthetic index of gross domestic product and unemployment in equal proportions but comparable statistics are simply not available from all Member States. This was the index used by the Commission to calculate its league table of regional deprivation in its second periodic report on the state of the regions. The majority of members of the Committee on Regional Policy and Regional Planning — and I include those members who have been gracious enough to stay this evening such as Mr Newman and other notable members of the Committee on Regional Policy and Regional Planning — concluded that the comparable statistics that I have just mentioned are simply not available and that therefore the league table of regional deprivation in the second periodic report of the state of the regions needs to be improved. The majority of members do not believe that this formula is strong enough and they want to see a more sophisticated formula used by the Commission to calculate regional differences and eventually the balance between the Member States.

In the motion the rapporteur has therefore requested the Commission to use the period between now and the next revision of the Regional Fund to make sure that its statistics are sound enough to achieve a proper balance between regions and eventually a proper balance between Member States. By the time the Commission comes to propose a revision of the Fund Regulation in three or four years, Spain and Portugal will have been operating within the Fund long enough for them to have become acquainted with its requirements and for us to appreciate their difficulties. It should not be beyond the capacity of any government to begin now to prepare the statistics of a Member States which will be needed to make the Fund a more sensitive and sophisticated instrument than presently it is.

The Committee on Regional Policy and Regional Planning regards this as one of its most urgent tasks, therefore, before the Commission and the govern-

ments of Spain and Portugal reassess the position. But Parliament will watch this process closely on behalf of the many people who live in the difficult regions of the Community with a view to proper balance of the Fund.

The rapporteur, Mr Hutton, has much pleasure in inviting the Parliament to support this short but important report.

Mr President, I would just like to underline the rapporteur's commitment to the regional policy of this Parliament. Our individual constituents, the people of Europe, look at what Europe is actually doing. They look, as we said this morning in the budget debate, towards the world, they look at the Third World and what we are doing, to help those who cannot help themselves. They look towards the regions of Europe, they look towards those far-flung areas such as the rapporteur represents in the North, such as I represent in the West of Britain, such as the Spanish and Portuguese representatives of the Alianza Popular Party will be representing in this Parliament. I think it is terribly important having been here for an extremely long time today, having embraced an enormous range of subjects, that we are now touching on perhaps one of the most crucial aspects of the European Community. Can we actually bring the distant parts, the distant regions, together?

I therefore present with great pride Mr Hutton's report because despite the absence of Spanish and Portuguese representatives I think this is a very positive step towards giving them a tremendous reception in 47 days' time as fellow members of this terribly important parliament.

Mr Vandemeulebroucke (ARC), rapporteur. — (NL) Mr President, ladies and gentlemen, the report I now present was in fact drawn up on the initiative of the Committee on Regional Policy and Regional Planning and I want to make a point of thanking my fellow Committee members who approved this report unanimously.

There are very obvious reasons for the Committee's decision to draw up a report on its own initiative. It is, after all, quite obvious that internal Community disparities will increase as a result of enlargement. Not a single Spanish region, for example, reaches the current European level of prosperity and Portugal barely reaches 49% of it. Moreover, there are major regional imbalances within Spain and Portugal. Apart from the Spanish coastal strip, a number of regions show a completely different economic fabric which will, of course, require a diversified regional approach.

In the case of Portugal, there are two 'fault lines'. There is the north-south line, with the large number of small farms in the north and the domination by latifundia of the agriculture of the south. A second line divides the capital from the poor interior.

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The two new Member States do share some features such as an urgent need to modernize their economies and the structural change that has followed the restoration of democracy — associated as this was with a widespread movement towards regionalization.

In Spain, there are three historical regions with their own Parliaments and governments and with a considerable degree of physical and legislative independence: the Basque country, Catalonia and Galicia. In addition, there are 14 other recognized regions, including the Canary Islands, which will enjoy extensive autonomy after accession.

In Portugal, two island regions, the Azores and Madeira, have obtained an extensive degree of autonomy including the right to administer their own taxes and regional planning. The Portuguese mainland has then been divided into five continental planning regions. With this in mind, I have tried to assess the consequences of enlargement for the regional policy of the Community. Initially, research concentrated on the undoubtedly significant consequences for the present ten Member States.

For example, the sectors currently dominating Spanish industry and with a potential for expansion are the same ones already suffering from surplus capacity in the Community of Ten. Far from altering the problems, the enlargement to include Spain and Portugal will in fact involve the reciprocal accentuation of regional and social consequences.

This will mean, for example, that the peripheral regions within the current Ten will suffer serious competition in the clothing and textile industry, the steel and ship-building industry — not to mention that sector of agriculture devoted to Mediterranean products. The South has the integrated Mediterranean programmes to help it cope with expansion and we must ensure that the European contribution to Spain and Portugal, by means of the structural funds, parallels in quantity and timing the expansion of resources under these IMP's. On the other hand, more attention must be paid to some of the northern regions that now find themselves in a very serious position. In my opinion, this is only possible by emphasizing an integrated policy and by creating more balanced and concrete aid criteria as has been recommended in the report drawn up by Mr Hutton who is apparently now on his way to Australia.

What are the consequences of enlargement for the two countries themselves? The Spanish Parliament is now discussing a bill defining new criteria for regional aid. I believe that this country has prepared itself very seriously for accession as have the historical regions. The situation in all regions, and all statistical information, lead one to conclude that Spain requires a diversified approach in individual regions, by means of an integration of the structural funds.

Portugal will be confronted with many more problems. In addition to poverty, there is also political instability, immense regional disparities, the shortage of specialists in the field and an inability to decide who is responsible for regional policy and for interaction with European bodies. Moreover, regional development has barely begun. There is, however, an encouraging model of an integrated approach in the form of the Beira-interior project.

Mr President, ladies and gentlemen, both new Member States have submitted their projects to the Commission and I am delighted that they have been so quickly approved. Incidentally, that was also done by Mr Narjes — now travelling to Japan. I do, however, want to warn the Committee that Portugal is concentrating on infrastructure projects. We view this with some disfavour because they do not immediately create employment and might perhaps appear too megalomaniac. As a transitional measure, however, this is acceptable.

Mr President, both countries urgently require an integrated policy in the form of combined structural funds employing their own diversified development models. Policy must favour the weakest regions and this will require the Commission to work in particular with regional authorities.

My final conclusion is that an increase in ERDF credits is unavoidable if the new Member States are not to become net contributors to the Community of Twelve, particularly as a result of the measures required under the Mediterranean programmes. After all, we have spoken today of a citizens' Europe and I hope that Spain and Portugal may also be permitted to be citizens of the Europe of Twelve.

Mrs Gadioux (S). — (FR) Mr President, the enlargement of our Community through the addition of Spain and Portugal brings with it the need to adapt a number of provisions. We have before us today one of these amendments, concerning the European Regional Development Fund.

The proposals before us seem to be completely acceptable. On the other hand, it would seem appropriate to ask the more general question concerning the ERDF's future in view of the budgetary constraints. Nevertheless, the planned changes satisfy us on account of their clarity, their wisdom and the solidarity they embody.

These amendments are clear because no attempt has been made to surreptitiously upset the balanced nature of the ERDF reform achieved thanks to many efforts and reciprocal concessions in 1984. However, this does not mean that the new system is flawless. It will most certainly be necessary some day, as our rapporteur underlines, to modify the basis for calculating the quota ranges. This could be done by including, in particular, factors relating to unemployment, training

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and schooling and, finally, to the impact of Community policies at regional level.

These are wise changes because they have not altered the existing relationship between the ranges applying to the Ten. This means that no Member State will be able to use these changes as an excuse for waning interest in the ERDF or to complain about maltreatment.

Finally, these amendments derive from a feeling of solidarity, taking account of the great efforts which Portugal in particular must undertake, and seeing to it that the ERDF will be able to finance projects or programmes in this country up to a limit of 70%.

But it would be futile to formulate texts or to construct clever mechanisms which are without any significant importance in practice. This is something we fear will happen to the ERDF, given the 1986 draft General Budget, and we would like to know the Council's view on this as well.

The Council subjected the appropriations planned by the Commission for the regions to a 'savage reduction', to repeat the phrase you used, Mr President, in an opinion for submission to the Committee on Budgets.

Of course, the Council itself realized during the debate here in Parliament that it will be necessary to rectify the most glaring mistakes. Parliament is, of course, working on this and will do so in the future even at the risk of expending most of its energy on this.

The Council must now take a more realistic view. The imbalances between the Community's regions have not been overcome. We need an integrated Community regional development policy, and all the more so with enlargement coming up.

We have the texts for this. Let us make sure that they do not become dead letters!

Mr Poetschki (PPE). — (DE) Mr President, ladies and gentlemen, my group is happy to see the Hutton and Vandemeulebroucke reports being dealt with in a joint debate. I would like to express our recognition of them by saying that we consider both to be very good. This Parliament demonstrated a large degree of agreement in approving Spain and Portugal's accession to the Community, and now we are laying the foundation for a common regional policy with the same amount of agreement.

We may proceed from the premise that both Iberian countries are pinning great hopes on European regional policy and expect considerable aid for their weak regions. The chasm between the poor and rich regions is widening, this is something we must get into

our heads. The only conclusion to be drawn from this is that the limited amounts available under the European Regional Fund have to be used in a more concentrated and more effective manner. This is the purpose of the new system of ranges contained in the Fund regulation. We approve the new ranges but we also share the concern of the rapporteur, Mr Hutton, that the assessment bases or the use of indicators to determine a region's structural weaknesses are not up to the task. When it comes to annual review and revision of the ranges we will continue to demand that regional imbalances be determined by means of more reliable and more extensive indicators. The special maximum support rate of 70% for Portugal is not without its problems, but is acceptable because of the country's poor budget situation.

ERDF aid can bring the prospect of greater development for the new Members' weak regions, but it also provides us, and European regional policy in general, with the chance of a fresh start. Therefore, we must make sure that all the development programmes are of high quality, which means that they must, primarily, be integrated, that the measures must be coordinated. The individual structural funds should be used for parallel and not diametrically opposed purposes. Secondly, the programmes should be developed in a democratic manner in conjunction with the existing forces in a given region, and not decreed from above. Thirdly, they should have a lasting impact and really improve regional structures, something we will certainly not achieve by again supporting infrastructure measures to the tune of 90%.

This week the European Parliament set certain standards. It approved the appropriations needed for the Spanish and Portuguese regions next year. We regret the Council's cutback of these funds. I hope this proves to be a positive start to our common regional policy of the future.

Mr De Pasquale (COM), chairman of the Committee on Regional Policy and Regional Planning. — (IT) Mr President, we have sought to combine the opinion on the proposed amendment to the regulation presented by Mr Hutton with this own-initiative report by Mr Vandemeulebroucke on the problems which will affect regional policy as a result of the enlargement of the Community.

This of course was done deliberately because in so doing the Committee on Regional Policy is seeking to underline the complexity and the seriousness of the problems which will result from the new situation.

The absurd behaviour of the Council both with regard to expenditure on enlargement and on the financing of the structural funds is in itself the best proof of the obstacles to be overcome in the months and years to come. This is why we have taken this step — and I should like to thank both the rapporteurs — because

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together their proposals clearly demonstrate the situation.

In my view it is not a question of sharing out the crumbs or performing new statistical calculations. Clearly, everything can be perfected but this is not the basic issue at stake. The problem is not one of accommodating Spain and Portugal on the basis of an outdated funding scale. The truth of the matter is that they will increase and increase on a gigantic scale the structurally weaker regions while they will reduce in absolute terms, the resources available for the development of production processes in the regions.

This is the essential political problem facing Parliament and is one which will require action in the months to come. Regional policy cannot therefore be reduced to the level of alms or scaled down to a nonsensically low level. Instead it must be allowed to become the increasingly solid basis on which to develop an integrated Community. It should also be stressed — as Mr Vandemeulebroucke has done — that the accession of Spain and Portugal will enhance the regional nature of the Community (particularly in the case of Spain there is an old and well-established tradition of autonomy and regionalism) for which the entire gamut of Parliamentary action and of Community measures in connection with joint operations, and consequently for a direct link with the regions must obviously be upgraded to take account of the two new Member States.

Mr Maher (L). — Mr President, I too want to compliment Mr Vandemeulebroucke and Mr Hutton on their reports and, like Mr Beazley, to wish Mr Hutton a good journey to Australia.

Having said that, I want to condemn in the strongest possible terms what I see as a cynical attitude on the part of the member governments that make up the Council. This is particularly true of some of the larger countries, including Germany and Britain, which are very anxious to bring about this enlargement, to bring in Spain and Portugal, but are not prepared to provide the resources to make that enlargement rational and reasonable and relevant to the needs of these particular countries. We need to condemn that attitude in the strongest possible terms.

I also regard it as a scandal that there is no representative of the Council in this Chamber tonight. The Council is really the problem. It is not the Commission. The Commission is here, and we know that the Commission is in favour of realistic terms and realistic funding for a policy like this on the basis of enlargement, but the Council is not.

I am very much afraid that both the Spaniards and the Portuguese — particularly the Portuguese — are going to be very sorry at what has happened to them. I do not think they know what is going to hit them. On

the one hand their borders are going to be open to imports of industrial products from much stronger industrial countries, while at the same time they will not be compensated by revenue from the stronger countries to help them to develop. I am afraid I cannot be anything but pessimistic and say to them that their economies, in the initial years anyway, are going to get weaker rather than stronger. I think we should be honest with these countries and say to them that they have, in a certain sense, bought a pig in a poke. The only hope I have is that the involvement of Spain and Portugal and the presence of their Ministers in the Council and their Members in Parliament will strengthen the voices of those of us who want to have a realistic enlarged Community. If we are serious about achieving a better balance between the richer and the poorer areas, then at least they will support us in bringing that about.

Mr President, having said that, I can only, if I may — although the Spanish and Portuguese, I know, are not here — give them a little bit of advice. Given the limited resources they will have by way of aid from this fund in particular, they should be very selective about how they use it. They should not, as some countries have done, including my own, use the monies in a certain political sense like water out of a watering can. A little here and a little there, but never resulting in any really effective worthwhile progress. I would advise them, because they are getting so little, to try at least to select the regions that are in the greatest need, that need the money most, and carry out the projects there.

Mr Barrett (RDE). — Mr President, on behalf of my group I should like to thank the rapporteurs for their excellent work and to join with previous speakers who have welcomed the imminent accession of Spain and Portugal. While welcoming enlargement, we all recognize that it will pose major challenges, notably — but not only — in the field of regional policy. Enlargement will increase the Community's population by 18%, but it will add only 8% to the overall GDP, since Spain's GDP is 59% of the Community's average and Portugal lags behind with a GDP of only 30% of the Community average. Over half of Spain and all of Portugal will be classed with the Community's most severely disadvantaged areas, and after January this will inevitably increase the strains on the already over-burdened Regional Fund.

We have spoken at great length on the budgetary consequences and obligations of enlargement in our debates on the budget this week. The same points have cropped up this evening. I do not wish to dwell on this now, but I feel I must reiterate our concern at the savage cuts proposed in the Council's draft budget for 1986. We really must have sufficient funding to combat regional disadvantages in Spain and Portugal. We must have real term increases for the disadvantaged regions of the existing Member States, and we must

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not permit any erosion of the Community's structural policies.

The Council cannot have failed to take note of our solidarity in this regard. Coming from a disadvantaged region on the Community's northern periphery, I am well aware of the problems of remote areas which are particularly dependent on agriculture. Spain and Portugal are much more dependent on agriculture than the Community as a whole, so I look forward to the arrival of new colleagues who will no doubt support our efforts to defend the common agricultural policy.

I also look forward to receiving their support in our battle to introduce greater transparency into the operation of the Fund. Not only are we fighting for a greater say for regional authorities in the framing and submission of grant applications, but we are facing an uphill struggle in our attempts to persuade the Member States to channel funding directly to recipients. I dare say the Catalan Government as well as the other regional governments will rally to our cause.

Finally, I should like to draw the House's attention to the two amendments which have been tabled in my name to the Vandemeulebroucke text on the subject of trans-frontier cooperation. As an Irishman, I have a natural preoccupation with the border problems in my country, but I recognize that the Community has an effective rôle to play in eliminating economic barriers at all internal frontiers. I know, from personal experience, that the transport links between Spain and Portugal and between Spain and France leave much to be desired, and this is only one of many areas where more effective cooperation is required. Learning from the experience gained in the operation of the border programmes in Ireland, I am sure that the Commission could put together similar broadly-based trans-frontier programmes in the new Member States.

In conclusion, I look forward to the arrival of Spain and Portugal at the beginning of next year and look forward also to their support in the regional battles ahead.

Mr Newman(S). — Mr President and colleagues, these two reports before us at this late hour relate not only to the effects of the Community regional policy on Spain and Portugal with the coming enlargement of the European Community, but also to the effects of that enlargement on the regional policy within the existing ten Member States in addition to Spain and Portugal.

The Hutton report on the new regulation incorporating Spain and Portugal into the European Regional Development Fund regulation is not really controversial, and that is probably why it has only received one amendment. That amendment is from Mr Vandemeulebroucke and stresses the difficulties facing the traditional industrial areas in decline in the countries of the

European Community. That, of course, is traditional industrial areas not only in the Ten but also certainly in Spain and perhaps to a lesser extent in Portugal. It is important, I believe, that that amendment gains support so that the problems of such areas are not forgotten.

In relation to Britain, the share of the ERDF from 1986 onwards going to the United Kingdom will be in a range between the lower limit of 14.48% and the upper limit of 19.31%. This could only be satisfactory if the overall budget for the European Community massively expanded the total resources available for the Regional Fund — not, I should say, at the expense of the ordinary taxpayer, but rather at the expense of the resources presently wasted on the crazy common agricultural policy and its obscene food mountains. With these misgivings, Labour will support the Hutton report.

Turning to the Vandemeulebroucke report on regional policy in Spain and Portugal and the consequences of enlargement of the European Community, this is clearly a useful report which Labour will support, and it has an excellent explanatory statement which will have a lasting reference value for Members, particularly in relation to the situation affecting regional policy in Spain and Portugal.

In paragraphs 1 and 2 of his motion for a resolution, Mr Vandemeulebroucke himself points out that the Community of the Twelve will be more varied than the present Community, with a doubling of the number of people living in the least developed regions, an appreciable increase in the number of sparsely-populated mountain areas, a rise in the number of regions with inadequate agricultural structures or with industries facing problems of restructuring and modernization and an increase in the number of densely-populated regions with high unemployment. I think those words must be remembered by us, not just tonight, but in the future and by the Spanish and Portuguese also when they come in.

Amendment No 1 from Mr Hutton to Mr Vandemeulebroucke's report is, I believe, unfortunate. It simply attacks the Spanish Socialist Government's regional policy, and this, I think, reflects only the new political marriage between the British Conservatives and the Spanish Popular Alliance Party. These are the political realities of life, not waffle about a new European ideal. I don't think that the Hutton amendment does enhance the report at all. It is the height of hypocrisy, considering the British Government's cutbacks in central government aid to depressed regions in the UK.

Finally, Spanish and Portuguese entry to the Common Market is not a matter for me but a matter for the Spanish and Portuguese people, but as the chairman of the Committee on Regional Policy and Regional Planning said earlier, much more regionalism in the European Community from now on is clearly going to take

Newman

place — it will be far more a Europe of the regions. That will have an effect on policy within the European Community, in Spain and in Portugal and in all the other countries. That is something that will of necessity force the problems of the regions to the front of all our minds on the future.

Mr Christopher Beazley (ED), deputy rapporteur. — Mr President, I am afraid you have called my point of order too late, because it was going to be under Rule 64(4) and would have invited Mr Newman to give way. Now that Mr Newman has ceased speaking, of course he can't give way.

However, he has now attacked the Spanish Popular Alliance Party, and I take grave exception to that attack. It is most unfair of him to do so, particularly in their absence. I was gracious enough to compliment Commissioner Narjes and Mr Hutton in their absence. I think it was particularly ungracious of Mr Newman to attack people in their absence!

Mr van Aersen (PPE). — (DE) Point of order, Mr President. I am a Christian Democrat from Düsseldorf, a European originating from the Rhine region, who — unfortunately — became a German because of the Congress of Vienna. That's life.

Mr President, I would like to protest at a colleague in this Parliament condemning a free decision by colleagues who will shortly be joining us in this House. It is up to them to decide because they were democratically elected. Our European Community has always stood up for democracy in Spain and Portugal, and you cannot prejudice the matter.

(Applause from the right)

President. — Mr van Aerssen, this does not sound to me like a point of order.

Mr Gerontopoulos (PPE). — (GR) Mr President, I should like to congratulate the rapporteur warmly on his excellent report which we are debating in this House today, and these are not merely formal congratulations but are given because Mr Vandemeulebroucke really provides a comprehensive picture of the problem which the accession of Spain and Portugal poses for the Community's regional policy and gives a detailed analysis of its repercussions on the various sectors of the economies of the two countries.

The two new Member States have a large number of jobs in agriculture, a high rate of unemployment and underemployment in the manufacturing sector, and very different levels of development from each other. They also have many sparsely populated mountain areas, which will increase the number of such areas which already exist in the Community. Thus the Com-

munity's regional problem will be further aggravated by the almost doubling of the population of problem regions. At the beginning of next year the Community will be enlarged to include Spain, a country with a rich north and a poor south like Italy, and Portugal, a country which is poor over its entire area, like Greece, and this will accentuate the present gap between the developed and the problem regions of the Community.

It is certainly encouraging to see the process of administrative decentralization and the system of granting aid on the basis of Community criteria in the two new Member States, and that they have already submitted draft programmes to be subsidized by the Regional Fund. It is high time that we become fully aware of the intensity and extent of the regional problems in the Community of Twelve and see to it that there is an overall increase in EAGGF funds. Such an increase is essential for tackling and funding the integrated Mediterranean programmes, the support of which is absolutely necessary to alleviate the effects of enlargement on the other Mediterranean countries of the Community.

I should like to conclude by saying that we must not dwell solely on the economic effects of accession but shall also have to stress the political advantage which will result both as regards the strengthening of democratic institutions in the two countries and the fostering of European union. I think that it was in this spirit that the Parliament of my country ratified by an overwhelming majority the Act of Accession of these two countries to the Community. The majority in question was far greater than that by which it was decided that Greece itself should join the Community, and it shows that there is now recognition of the positive effects on all areas of political and economic life in Greece.

Mr Avgerinos (S). — (GR) Mr President, the accession of Spain and Portugal to the Community means that the problem of regional imbalances will be accentuated and at the same time the role which the Regional Fund is called upon to play will be placed on a new footing. The ability of the Regional Fund to fulfil its new obligations depends directly on whether the motives and rules which govern its operation are determined by a policy with the long-term aim of convergence rather than by a short-sighted arrangement based more on accounting considerations than on political considerations.

To put it more clearly, I would draw attention to the solution of the linear reduction which the Commission has chosen. We are opposed to it, i.e. to the realignment of the shares of the Ten Member States according to this concept of linear reduction. Our reason for this is, firstly, that with the single 32.4% reduction for Spain and Portugal the burden of enlargement will be transferred to the less developed countries, i.e. those which have a large share. To make it clear to you, on the basis of the present shares this means a 150 million

Avgerinos

ECU reduction for Germany and a 500 million ECU reduction for Greece. This is contrary to the fundamental aim and purpose of the Regional Fund, which is to support the poorer countries so that they can overcome their structural weaknesses and continue to exist within the integrated internal market which is being set up. Secondly, it is for these reasons which I have outlined that the Commission, when Greece joined in 1981, chose the solution of differentiated and not linear reduction. Thus the reduction of the share was 22% for Germany, 10% for Italy and 8% for Ireland. But what has changed since then? From what we know and from what the figures tell us, the problem of regional imbalances has become worse, and the need to support the poorer countries remains. And do not tell me that an increase is being proposed to maintain the same level of funds to be given to the Member States, since if the Council sticks to its decision, the Member States will receive from the Regional Fund only two thirds of what they received previously.

There is another main point, namely whether this kind of arrangement can give the Regional Fund a long-term perspective. Today we see the aggravated problem of the regions which have been hit by the industrial crisis, and in order to tackle this problem many Members, especially British Members, have proposed the solution of the integrated programmes.

We fully appreciate the problem and see the need to broaden the motives and aims of the Fund so that all kinds of problems can be tackled effectively. We think that with a more suitable and more objective indicator, such as that of the second periodic report, we could take unemployment as a factor together with gross national product, and for determining new ranges we could use the parameters of structural unemployment and industrial decline. The criterion of the Fund's policy must exclusively be the convergence of the economies, irrespective of any national or local priorities. We have heard Mr Vandemeulebroucke saying — and I do not know whether he also put it in the report — that it will be possible to solve the problems of Spain and Portugal through the structural funds and the Mediterranean programmes. This is wrong. The Mediterranean programmes have been put forward precisely because there has been an enlargement of the Community. They have been put forward to support the industrial and agricultural infrastructure of the Member States which are now in the Community in order to overcome the negative effects of enlargement. It is therefore wrong to say that the economies of Spain and Portugal will be restored solely through the structural funds.

Mr Varfis, Member of the Commission. — (GR) I shall be brief, not because it is late but because I think that when the Commission and Parliament are as much in agreement as they are this evening on these two motions for resolutions, there is no point in making long speeches. I shall just draw attention to some

points. The first is that I am pleased that Parliament fully agrees on the three principles which the Commission took as a basis in submitting its proposals: firstly, Spain and Portugal should not be treated unfairly and the criteria should be the same for all; secondly, there should be no change in the original pattern of quotas applied to the ten old Member States — a pattern which, I would stress, was established after three years of difficult negotiations which came to an end barely a year ago; and the third principle, which I think is very important, is that at the same time none of the ten Member States must suffer as a result of enlargement. Consequently there should be a considerable increase in the Funds so that no old Member State receives anything less than it did this year or last year.

These three principles are inseparably linked. If one of these principles is violated, we will be in a very difficult situation. We therefore particularly regret that the Council has made these cuts. If these cuts are maintained, what situation will we be in? The old Member States would get less, but Spain and Portugal, with such serious regional problems, would also get less than they are entitled to. And this would run counter not only to the regional needs of the Member States but also to the more general approaches and commitments which I think have been entered into.

Another point is referred to in Mr Hutton's motion is that the differences in gross domestic product are not the only indicator. This is doubtless so, but what is also recognized in the report is that there are very many other indicators which can be taken into account. It is very difficult to compare the indicators of the various countries and, in this field, there should in any case be cooperation between the Member States. We are continuing efforts to find a better way of calculating, and in any case, when we intervene with such measures as the integrated programmes, we do not take account of only one indicator but take account of all the data and all the indicators of a region in order to understand its problems and to tackle them.

Lastly, one final point I should like to stress about Mr Hutton's report is that I am pleased that the motion recognizes the need to increase the intervention rates in Portugal, not only because it has the most ailing economy of the Ten but also because this is a necessary condition for Portugal to be able to absorb the loans which we have proposed to grant it.

I now come to the report by Mr Vandemeulebroucke, who gives such a clear, detailed and concise account of the political and technical facts and problems relating to the regional organization and the system of regional aid in Portugal and Spain. It must be said that the regional problems in the Community will double with the accession of these two countries in that there will be a doubling of the population of the regions where the per capita income is 30% lower than the Community average.

Varfis

However, Spain and Portugal are not only countries with generally serious regional problems, since within these countries the regional imbalances are very great and in certain industrial areas unemployment is particularly high. I must say that the regional development programmes of these two countries have been received and very carefully studied by the Commission and have also been looked into by the Member States in the Regional Policy Committee. These programmes will be the points of reference for interventions by the Regional Fund in these countries.

In addition to the regional development programmes, Spain and Portugal have already submitted schemes amounting to approximately 1 000 million ECU for the former and 500 million ECU for the latter. A large number of these schemes will be approved shortly, and it is the Commission's aim to begin to provide Spain and Portugal with funds from the beginning of the year, on condition of course that the budget has been adopted and also — something which I would stress is essential — that the Council has approved the new quota ranges for the ten countries.

Mr Maher (L). — Can I put a question to the Commissioner? Now that the Commissioner has admitted that one of what he calls the three vital principles has, in fact, been infringed by the decision of the Council not to make adequate financial provisions for the Regional Fund, what is the Commission going to do? If the principle has gone and you yourself have admitted and said it is a principle, what are you going to do?

Mr Varfis, Member of the Commission. — (GR) The Commission has submitted a proposal to the Council on the new rates. I have already stated on what criteria we based our proposals on the new quota ranges between the two countries. The proposal for increasing the resources of the Regional Fund by 45% are included in the preliminary draft budget which the Commission has forwarded to the Council. The Council will decide on these two subjects, and as you know, the decision on the more specific subject of the budget will be taken not only by the Council but also by the Budgetary Authority, of which Parliament is a very important arm, which gives us very great support on this particular subject. If it happens that the budget is not adopted, what will be Parliament's position? I think that we have heard today that a tendency is already emerging. The Commission will always move within the limits of its powers. At the moment we consider that we have done our duty by submitting these proposals. We hope that the two proposals will be adopted, as well as the quota ranges and the budget. Furthermore, as I have already said and now repeat, we shall find ourselves in a very difficult situation. What conclusion will we draw? It is perhaps too early as yet, and I would say that it is all the more so since we must keep on hoping that the amounts will be restored to the level we mentioned.

Mr Vandemeulebroucke (ARC). — (NL) Mr President, I would like to address a very short supplementary question to the Commission. In the case of Portugal, Mr Varfis, approximately 130 000 workers have been without pay for almost two years. I would like to ask the Commission whether it does not consider it part of its social duty to ensure that aid channelled through the Structural Fund be made dependent on the willingness of those receiving aid to pay their workers the wages they have earned?

Mr Varfis, Member of the Commission. — (GR) Mr President, I regret that this situation exists, but I think it is clear that the Regional Fund cannot meet such a requirement. I regret to say so, but I think this answer will not come as a surprise to the honourable Member.

President. — The joint debate is closed. The vote will be taken at the next voting time.

8. Technology (training programme)

President. — The next item is the report (Doc. A 2-141/85) by Mr McMillan-Scott on behalf of the Committee on Youth, Culture, Education, Information and Sport, on

the proposal from the Commission to the Council (Doc. C 2-81/85 — COM(85) 431 final) for a decision adopting an action programme of the Community in education and training for technology — Comett (1986-1992)

Mrs Viehoff (S). — (NL) Mr President, before you give the floor to Mr McMillan-Scott, and on behalf of Mr Poniatowski who can unfortunately not be here this evening and who is chairman of the Committee on Energy, Research and Technology, I would ask you to refer Mr McMillan-Scott's report back to the committee under Rule 85.

Mr McMillan-Scott (ED). — Mr President, I hope you can clarify the situation. I do not believe that Mrs Viehoff has the authority of the Energy Committee, which is chaired by Mr Poniatowski. Both Mrs Viehoff and Mr Poniatowski are expressing a personal point of view.

Mr Elliott (S). — Mr President, on a point of order: it was only possible to obtain the amendments yesterday evening and having got them I discovered that the great majority relate not to the motion for a resolution but to the Commission document. I have tried very assiduously today to obtain a copy of that Commission document in English. It is unobtainable in this building today and I consider it a very unsatisfactory state of

Elliott

affairs that a document to which Members need to refer in order to understand fully the intent of the amendments is not available in their own language.

President. — I am informed by the services that the document is available. Obviously, we will look into the matter.

Mrs Ewing (RDE), president of the Committee on Youth, Culture, Education, Information, and Sport. — Mr President, I think I have a right as chairman of the committee concerned to speak at this point. The document was issued in August. The fact of its availability today is really rather superfluous because it was available from August. That is not in dispute and it can be checked. The second thing is that it was decided this week by vote of this House to hold this debate this week. It was decided by clear majority to hold the debate.

All the committees knew of the deadline of the Council meeting on 5 December. Opinions were delivered by the Social Affairs Committee and the Committee on Budgets. Only the Energy Committee has not done its work. It is not for me to say why they did not do it nor to worry about it. They probably have all sorts of good reasons. But that does not mean that the work of the committee concerned, namely mine, should be held up because the Energy Committee did not do its work.

(Applause)

President. — I am sorry. Mrs Ewing, but you will have an opportunity to speak against the proposal if we begin this procedure. Any Member can, under Rule 85, at any time, request a report to be referred back. Mrs Viehoff has done that and I will now let her speak to her particular request. I will then call one person to speak against and another to speak in favour of that request.

Mrs Viehoff (S). — *(NL)* In reply to Mr McMillan-Scott, may I just provide an explanation. In his capacity as chairman of the Committee on Energy, Research and Technology, Mr Poniowski asked me to request this here this evening and, at its meeting on 16 October, the Committee decided to issue an opinion. We have however, not yet had time to begin this. As soon as I was nominated rapporteur, I began work but there has since been no meeting of the Committee to discuss it.

I would like to give the reasons for this and I hope that you will listen to them because they are very serious ones. Firstly, we have not had the time. Secondly, even the Committee on Youth, Culture, Education, Information and Sport has not had any great amount of time to carry out this kind of discussion. Moreover,

the opinion of the Committee on Energy, Research and Technology is lent greater significance by the inclusion in the Münch report, which was approved by this Parliament in 1984, of recommendations for cooperation between science and technology and the need to examine these in the framework of the proposal now tabled.

In addition, the Comett proposals are similar to programmes being prepared elsewhere in the Commission. Comparison and coordination of these proposals also demands time and surely we do not want this Parliament to just go ahead and take a decision while neglecting other matters? Everyone, including the members of the Committee on Energy, Research and Technology, believes that the programme must be launched in 1986. Our Committee is, in consequence, convinced that it must issue its opinion as soon as possible and it intends to do so. At the same time, however, it must be noted that the Council did not ask for urgent procedure. The Committee on Energy, Research and Technology has decided to issue an opinion and we very much want to do so.

Up to now, I have been giving a free translation of what I received in writing from Mr Poniowski. There is an additional point, already mentioned by Mr Elliott, and that is the unavailability of the Council decision. There are amendments to it but there are in addition disturbing differences in the amendments and in the different languages. To give just one example, in the English text of Amendment No 4, there is a reference to a research programme while the Dutch text, which is the correct one, refers to a trial programme. These are very significant differences and I believe that they will give us serious difficulty tomorrow. I have only given one example but I have found five when comparing only three languages.

Mr President, I therefore officially request referral back to the Committee for the reasons I have given. I hope that you understand that these are serious reasons and not just continual moaning from an individual — who happens to be me — because that is just not true!

Mrs Ewing (RDE), chairman of the Committee on Youth, Culture, Education, Information and Sport. — Mr President, it is true to say that the Council did not ask for urgent procedure. However, as the document was available from August and we knew the deadline was 5 December, it was hardly necessary to do so. That is not an urgent situation. The other committees were able to complete their work. If the Committee on Energy, Research and Technology has problems, I am sympathetic. As chairman of a committee I know how awfully difficult it is sometimes to meet deadlines, but it really is not good enough for one committee to hold up the work of others. It just is not fair. We have done our work under difficulties. We have had what I consider to be a thorough debate. Maybe Mrs Viehoff did

Ewing

not consider it to be so, but I was there chairing it and I thought it was thorough.

I really do feel that to bring questions of translation into this matter of referral back is absurd. I would just say this. The other committees have done their job, we have done our job, the date was known from August-5 December. Only today we voted money for this programme. What is the point of voting it if we are not serious enough to do our work in time for the deadline? I object to the referral back.

(Applause)

Mrs Seibel-Emmerling (S). — *(DE)* Mr President, I would like to express my gratitude, and I assume that our colleagues will no doubt be satisfied with this interpretation of the Rules of Procedure, as laid down in our regulations.

I would be only too happy to vote for the programme, something I have already said in Committee, but nevertheless I strongly support what Mrs Viehoff has just proposed. I have to contradict my honourable chairman of the Committee on Youth, Culture, Education, Information and Sport on two counts.

Firstly, it is a well-established practice in this House that we do not close the door on a committee which is very important for setting up a programme, as is

undeniably the case now with the Committee on Energy, Research and Technology, which deals with technical problems and technical cooperation. That is the first thing.

The second is something I believe to be just as important, at the very least. The honourable lady chairman said that her committee, which was the one asked for its opinion, had had a thorough discussion leading to a full vote. Unfortunately, I have to contradict this and I believe this constitutes the main reason for postponement. In actual fact, the Committee on Youth, Culture, Education, Information and Sport only voted on the rapporteur's report. Contrary to what this report says, there was no individual vote on the Commission's proposals. And although I requested a vote in the committee on the Commission's proposals, this vote did not take place. You can look this up in the committee minutes. I asked for a vote but none was forthcoming. For this reason I believe we should refer the report back to committee.

(Parliament rejected the request for referral back to committee)

President. — Because of the time, this debate will be held tomorrow, and the vote will be taken immediately after.

(The sitting closed at 12 midnight)¹

¹ *Agenda for the next sitting: see Minutes.*

ANNEX

COMMISSION COMMUNICATION ON ACTION TAKEN ON EUROPEAN PARLIAMENT OPINIONS ON COMMISSION PROPOSALS DELIVERED AT THE SEPTEMBER AND OCTOBER 1 1985 PART-SESSIONS

This is an account, as arranged with the Bureau of Parliament, of the action taken by the Commission in respect of amendments proposed at the September and October 1 1985 part-sessions, and of disaster aid granted.

Reports adopted by Parliament in September which were included in the 1 October 'Commission Action' paper do not appear here unless there have been subsequent developments.

Information on the action taken on the reports adopted by Parliament at the second October part-session will be included in the Commission's next monthly communication.

I. COMMISSION PROPOSALS TO WHICH PARLIAMENT PROPOSED AMENDMENTS THAT HAVE BEEN ACCEPTED BY THE COMMISSION IN PART

- (a) In connection with the following reports the Commission has adopted amended versions of its original proposals which incorporate the proposed amendments it accepted at the plenary sitting.

Report by Mr Collins, adopted on 11 October (PE A 2-100/85), on the proposal for a Council directive amending Directive 81/602/EEC concerning the prohibition of certain substances having a hormonal action and of any substances having a thyrostatic action (COM(85) 295 final)

On 11 October Parliament approved the Commission proposal, suggesting a certain number of amendments.

The Commission accepted most of the proposed amendments, except for two relating to the Community procedures for implementing the directive, and it reserved its position on the two proposed amendments on prohibition of the use of certain hormone and thyrostatic substances for fattening purposes.

On 30 October the Commission reconsidered its position and said that it was prepared to accept Parliament's views concerning prohibition of the use of certain substances having a hormonal action for fattening purposes.

Commission's position at debate: Verbatim report of proceedings, 10 October 1985, pp. 272-273

Text of resolution adopted by Parliament: Minutes of 11 October 1985, pp. 9-19

Amended Commission proposal: COM(85) 607, 30 October 1985

- (b) In respect of the following report the Commission is preparing an amended version of its original proposal in which account will be taken of the proposed amendments it accepted at the debate.

Report by Mr Fajardie, adopted on 8 October (PE A 2-93/85), on the proposal for a regulation on a Community aid scheme for non-documentary cinema and television co-productions (COM(85) 174 final)

Commission's position at debate: Verbatim report of proceedings, 7 October 1985, pp. 17-20

Text of proposal adopted by Parliament: Minutes of 8 October 1985, pp. 1-8.

II. COMMISSION PROPOSALS IN RESPECT OF WHICH PARLIAMENT DID NOT REQUEST FORMAL AMENDMENT

Report by Mr Bonaccini, adopted on 26 September (Article 33, Committee on Economic and Monetary Affairs — PE A 2-120/85) on the proposal for a regulation on the use of ECU by 'other holders' (COM(85) 218 final)

Text of resolution adopted by Parliament: Minutes of 9 October 1985, pp. 1-2

III. EMERGENCY AID GRANTED IN LATE SEPTEMBER AND IN OCTOBER 1985

(a) Emergency aid within the Community

Nil

(b) Emergency aid for third countries

Financial aid

<i>Country or recipient</i>	<i>Sum(ECU)</i>	<i>Reason</i>	<i>Distributed by</i>	<i>Date of decision</i>
Seychelles	500 000	torrential rain	EEC Delegation Mauritius, Seychelles branch office	11. 10. 85
Vietnam	500 000	floods after typhoons	Trocaire (Ireland) Secours populaire français	25. 10. 85
		floods	Oxfam Belgium	
Benin	200 000		Médecins sans frontières, Belgium	25. 10. 85
Lebanon	2 000 000	events in Tripoli	Middle East Council of Churches Lebanese Red Cross	30. 10. 85
Uganda	100 000	supplies for isolated hospitals	Save the Children Fund Franciscan Missionary Sisters for Africa	30. 10. 85

ANNEX

I. Questions to the Council

Question No 4, by Mrs Ewing (H-532/85)

Subject: Accession of the EEC as a party in its own right to the European Convention on Human Rights

In view of the fact that Denmark, Greece, Ireland and the United Kingdom have since December 1983 blocked the will of other Member States that the Community as such should accede to the European Convention on Human Rights, and of the need to facilitate the efforts of individuals and groupings in the United Kingdom, such as those seeking compensation for nationalization, to have the Convention fully applied there, will the Council now re-open discussions on the 1979 memorandum of the Commission on accession, in the context of its discussions on a People's Europe?

Answer

The Council's subordinate bodies have examined in detail the 1979 Commission Memorandum, in which the Commission expressed the view that the European Communities should accede to the European Convention on Human Rights.

Arguments have been marshalled both for and against accession to the Convention.

It is now for the Commission, in the light of these arguments, to take whatever initiative it may consider to be appropriate and, depending on its conclusions to submit to the Council a formal proposal for Community accession to the Convention.

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Question No 8, by Mr Fitzsimons

Subject: Legionnaires' disease

In view of the recent outbreak of Legionnaires' disease in the United Kingdom does the Council intend to call on the Commission to examine the situation at Community level, such an examination to include a review of existing measures where they operate in the Member States, so that adequate safeguards are taken to prevent the spread of the disease?

Answer

Cooperation at Community level on health problems is constantly increasing. This question was discussed by the European Council in Milan on 28 and 29 June 1985. In the case of the specific problem raised by the honourable Member, I can only say that the matter has never been put to the Council.

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Question No 11, by Mr Hutton (H-565/85)

Subject: Frontier formalities and equivalence of diplomas

The European Council at Fontainebleau asked the Council to study measures to be taken before the middle of 1985 to achieve (a) the abolition of formalities at intra-Community frontiers and (b) equivalence of university diplomas.

Why has so little progress been made and what has the Luxembourg Presidency done to realize these objectives?

Answer

On 23 January 1985, the Council received a proposal from the Commission on the abolition of formalities at intra-Community frontiers. In view of the Opinion delivered by the European Parliament on 18 April 1985, the Council examined this proposal on several occasions, in particular at its meetings on 7 October and 21 and 22 October 1985. During its discussions, the Council made some progress but nevertheless is not able to state when it may be likely to reach agreement on the matter.

With regard to the equivalence of diplomas, on the basis of the conclusions of the European Councils of Fontainebleau and Brussels and the recommendations of the *ad hoc* Committee on a People's Europe, a proposal for a Commission Directive was forwarded to the Council on 9 July 1985.

The European Parliament's report on the subject was discussed this very morning and the Economic and Social Committee's report is expected in mid-December 1985.

The Council proposes to examine these dossiers with all urgency once the opinions have been received.

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Question No 14, by Mr Pearce (H-590/85)

Subject: Lomé Convention

What initiatives does the Council propose to take to use the Lomé Convention as a means of assisting in reaching a solution to the problems of the debts of certain ACP countries to Community commercial institutions?

Answer

I would point out that Article 198 of the third ACP-EEC Convention provides that 'at the request of the ACP States, the Community shall lend technical assistance in studying and finding practical solutions to their indebtedness, debt-servicing and balance-of-payments problems.'

The Community is therefore prepared to provide such technical assistance if an ACP State so requests. It should not, however, be forgotten that the substantive aspects of debt problems are dealt with in other international fora.

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Question No 15, by Mr Evrigenis (H-595/85)

Subject: Appeal by the Member States against a Commission decision

On the basis of its document entitled 'Guidelines for a Community policy on migration' (COM(85) 48 final/1 March 85), The European Parliament's resolution on the matter of 9 May 85 and the Council resolution of 16 June 85 (OJ C 186, 26 July 85, p. 3), the Commission issued, on 8 July 85, a decision, pursuant to Article 118 of the EEC Treaty (OJ L 217, 14 August 85, p. 25), setting up a prior communication and consultation procedure on migration policies in relation to non-member countries.

According to reliable information, certain Member States challenged the above decision in the European Court of Justice, seeking to have it revoked.

Can the Council provide Parliament with details of these proceedings?

Answer

Under the first paragraph of Article 173 of the EEC Treaty:

'The Court of Justice shall review the legality of acts of the Council and the Commission other than recommendations or opinions. It shall for this purpose have jurisdiction in actions brought by a Member State, the Council or the Commission on grounds of lack of competence, infringement of an essential procedural requirement, infringement of this Treaty or of any rule of law relating to its application, or misuse of powers.'

Five Member States have lodged appeals with the Court of Justice against the Commission Decision of 8 July 1985 setting up a prior communication and consultation procedure on migration policies in relation to non-member countries.

It is for the Court of Justice to give a ruling on these appeals and the Council has no comment to make in this connection.

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Question No 16, by Mr Gerontopoulos (H-604/85)

Subject: Payment of supplementary tuition fees in Belgium

What measures does the Council propose to take to ensure enforcement of the judgments rendered by the European Court of Justice on the supplementary tuition fees that have to be paid by students from Member States of the Community studying in another Member State, as in the case in Belgium, seeing that this is a violation of the Treaty of Rome, which proscribes acts of discrimination on grounds of nationality?

Answer

The Council is not competent to enforce judgments of the Court.

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Question No 17, by Mr Tzounis (H-608/85)

Subject: Measures against the Greek merchant fleet

The Government of Turkey, a country associated with the European Community, recently announced that it is considering the possibility of taking measures against the Greek merchant fleet. Any such measures would be in flagrant violation of the internationally recognized code on non-discrimination against flags.

What steps has the Council taken or does it intend to take to dissuade the Turkish Government from carrying out its threat and what measures does it intend to take should the Turkish Government eventually implement its project measures?

Answer

The Council has not received any calls for action regarding the matter raised by the honourable Member.

It would be prepared to consider with all due attention any proposals submitted to it on the matter by a Member State or the Commission.

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Question No 18, by Mr Newton Dunn (H-610/85)

Subject: The consequences of the Czech-Hungarian hydroelectric scheme on the Danube

The intergovernmental agreement between Czechoslovakia and Hungary on the Gabčíkovo-Nagymaros Watersteps for 840 MW hydroelectric installations is likely to produce considerable upstream and downstream consequences, not the least of which is the availability of freshwater. Will the Council request the United Nations Economic Commission for Europe to examine the social, economic and ecological consequences of this project for populations of upstream and downstream States?

Answer

Since this particular matter concerns an intergovernmental agreement between Hungary and Czechoslovakia, the Council is not in a position to give a detailed reply concerning the construction of the hydroelectric scheme in question.

I can, however, inform the honourable Member that the Commission of the Communities takes part as an observer in some of the proceedings of the United Nations Economic Commission for Europe, which deals with general environmental issues, particularly water problems.

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Question No 19, by Mrs Lizin (H-611/85)

Subject: Hormones

Does the Council envisage introducing in the near future more stringent legislation on the use of hormones for fattening cattle, in view of the recent disquieting discoveries in the Huy-Waremme region?

Answer

At its meeting on 21 and 22 October 1985, the Council was apprised of the European Parliament's Opinion on the use of hormones for fattening cattle, and noted that the Commission would be deciding in the next few days on what action should be taken, as a result.

The Council will resume examination of the question as soon as the Commission has adopted its final position.

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Question No 21, by Mr Ulburghs (H-618/85)

Subject: The Community's policy on migrant workers

This year the European Community has devoted considerable attention to policy concerning migrant workers, particularly in connection with the Marinaro and Papapietro reports. In these reports a large number of policy guidelines were formulated, embodying a positive approach to one of the most pressing social questions facing Europe. Special mention should be made of the recognition of voting rights in local elections and a policy incorporating educational experiments such as the 'getting to know one another' project. Can the Council say whether anything is being done, by way of serious political measures, in reaction to the European Parliament's concern about the problem of migrant workers?

Answer

The Council is aware of the many problems to be resolved in the field of immigration. It shares the desire for improved cooperation among Member States so as to find adequate political solutions to the problems of migration. However, giving immigrants the right to vote in local elections in the various Member States is not a matter for the Council, nor has it received any specific proposal for launching a 'getting to know one another' project for immigrants such as that to which the honourable Member refers

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Question No 22, by Mr Howell (H-634/85)

Subject: Intergovernmental Conference

Will the Council report, in detail, the individual national stances presently being adopted at the Intergovernmental Conference with particular regard to the Commission proposals on the creation of a true and free internal market by 1992?

Answer

It is not for the Council to comment on the individual national stances adopted at the Intergovernmental Conference. Parliament is being briefed on the Conference proceedings under the procedures described by the Luxembourg Presidency in its statement during the debate on 23 October 1985.

I would also point out that at the last plenary of the European Parliament, I gave detailed replies to a series of Oral Questions with Debate on the Conference's proceedings.

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Question No 24, by Mr Adamou (H-641/85)

Subject: Discrimination against migrant workers

A racist policy is being adopted by the Belgian authorities against Greek and other migrant workers with regard to their children's education. In the case of the Greek migrant workers, this takes the form of the periodical arbitrary closing of their schools, the refusal to make premises available for lessons (as happened this year in the case of the Greek community in Schaerbeek, Brussels) and the enforced operation of unmixed Greek schools, which the children attend at the same time as going to Belgians schools. The result is that they learn neither French nor Greek properly and are relegated to the fringes of society, experiencing problems of adjustment at both social and occupational levels.

What action does the Council propose to take to stop the Belgian Government pursuing a policy of discrimination against migrant workers' children, and what steps will it take to help them become established in both the social and occupational spheres?

Answer

The problem raised by the honourable Member falls within the scope of the Council Directive of 25 July 1977 on the education of the children of migrant workers; it is the Commission which is responsible for seeing that Community legislation is implemented.

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II. *Questions to the Foreign Ministers of the ten Member States of the European Community meeting in political cooperation*

Question No 32, by Mr Marshall (H-458/85)

Subject: Ratification of the Convention on the Repatriation of Offenders

Have the Foreign Ministers meeting in political cooperation discussed the failure of a number of EEC countries to ratify the Convention on the Repatriation of Offenders?

Answer

The honourable Member's question refers to the Convention on the Transfer of Sentenced Persons. The problem is currently undergoing detailed consideration in the context of European political cooperation.

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Question No 33, by Mr Raftery (H-560/85)

Subject: Unesco

Have the Foreign Ministers discussed the issue of membership of Unesco by the Member States of the European Communities and if so what is the outcome of their deliberations?

Answer

Problems relating to Unesco and the most appropriate ways of improving the functioning of the organization and ensuring that the principles underlying that important specialized institution of the United Nations are respected are under continual consideration in the context of European political cooperation.

In this connection the honourable Member is referred to the statement by the Foreign Ministers of the Ten of 29 April 1985 in Luxembourg.

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Question No 34, by Mr Adamou (H-571/85)

Subject: Agreement to reduce nuclear weapons

On 3 October 1985, the Soviet leader, Mikhail Gorbachev, addressing in Paris the assembly of the Foreign Affairs Committees and the Franco-Soviet Friendship groups of the National Assembly and the French Senate, proposed that the USA and the USSR agree to a total ban on space weapons and reduce by 50% the nuclear weapons aimed at each other's territories.

Moreover, in order to facilitate the conclusion of an agreement on the rapid mutual reduction of medium-range nuclear weapons in Europe, the Soviet Union considers that such an agreement is feasible without being directly linked to the problem of space and strategic weapons.

Would the Foreign Ministers meeting in political cooperation state whether they intend making a positive response to this conciliatory proposal by the Soviet leader and initiating the procedure for the implementation thereof?

Answer

The honourable Member's question concerns specific military aspects of security, which as is known are not discussed in the context of European political cooperation.

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Question No 37, by Mrs Lizin (H-612/85)

Subject: Creation of a political cooperation secretariat

Can the Ministers state what the situation is with regard to the creation of a secretariat for European political cooperation?

Answer

The question of creating a political cooperation secretariat has been the subject of discussions within the bodies concerned with political cooperation since the Milan Summit. It is to be considered at Ministerial level for the first time at the meeting of the Intergovernmental Conference on 19 November 1985. The European Parliament will be duly informed of the outcome.

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Question No 40, by Mr Ephremidis (H-633/85)

Subject: Human rights situation in Turkey

On 23 October 1985 the European Parliament adopted a resolution on 'the human rights situation in Turkey' which incorporated the relevant conclusions by the rapporteur of report Doc. A 2-117/85, Mr Balfe. In the resolution Parliament expressed its profound concern at the human rights situation in Turkey and condemned the use of all forms of violence against the person in that country.

Do the Foreign Ministers meeting in political cooperation propose to take any specific steps to achieve the objectives of the abovementioned resolution?

Answer

The Ten are following very closely the situation regarding respect for human rights and fundamental freedoms in Turkey, and have consistently expressed their concern at this problem in their dealings with the authorities in Ankara.

While acknowledging the positive trend in this area and also the declared intentions of the Ankara government, they nevertheless expect the latter to continue its efforts to ensure full restoration of human rights and fundamental freedoms.

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Question No 41, by Mr Beyer de Ryke (H-649/85)

Subject: Prisoners taken by the Soviet forces at the end of the Second World War

What attention have the Ministers meeting in political cooperation recently given to the unfortunate position of citizens of the Member States of the Community and of Spain who were taken prisoner by the Soviet forces at the end of the Second World War, although they had not taken part in the Nazi war against the Soviet Union, and who have still not been released?

Answer

The question raised by the honourable Member has not been discussed by the Foreign Ministers of the Ten meeting in European political cooperation.

III. *Questions to the Commission**Question No 48, by Mr Seligman (H-489/85)*

Subject: Mobility of labour

Approximately how many citizens of the Community are employed in a Member State other than their own and what has been done to encourage and facilitate this mobility of labour, by improved international notification of employment opportunities?

Answer

The Commission is aware that the honourable Member has manifested his interest in these matters on previous occasions, and received answers to his Oral Questions 765/80 and 461/83.

From these answers it will be seen, in the Commission's view, that the exchange of information at Community level on vacancies and applications for employment works effectively and efficiently and thus promotes the mobility of workers between the Member States.

A table on the number of Community citizens working in Member States other than their country of origin will be sent to the honourable Member.

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Question No 54, by Mr Anastassopoulos (H-528/85)

Subject: Swiss tolls for foreign goods vehicles

What action does the Commission intend to take to prevent a new Swiss toll for foreign goods vehicles from prompting retaliatory fiscal measures that could seriously disrupt international goods traffic and to ensure that the principle of reciprocal exemption from duties and tolls in this area is complied with?

Answer

For the time being there are no Swiss counter-measures *vis-à-vis* Community vehicles. The Swiss position seems to be that they will not take any measures as long as the counter-measures taken by other countries do not result in tax levels on Swiss vehicles exceeding the level of the Swiss tax.

As German as well as French counter measures do not fall into that category, it does not seem to the Commission that there is any risk of retaliation from Switzerland. Therefore an escalation of taxes is considered to be unlikely.

The Commission regrets the current situation and, taking into account the willingness of the Swiss government to cooperate, intends to pursue its efforts to improve the present situation. The Commission is endeavouring to obtain a Community solution which might serve as a basis for a European solution at a later stage.

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Question No 56, by Mr Zahorka (H-546/85)

Subject: European Community participation in conferences on the Antarctic

Did the Commission take part on behalf of the Member States of the Community in the conference which began in Paris on 23. September 1985 on the mining of minerals in the

Antarctic, is it taking part on behalf of the Member States of the Community in the 13th Conference of the Consultative Parties to the Antarctic Treaty from the middle of October in Brussels and what view does it take of the proposal by Malaysia that deposits of raw materials in the Antarctic should be made over to the United Nations and treated in a way analogous to that laid down in the Convention on the Law of the Sea?

Answer

The Commission did not take part in the Paris Conference on the mining of minerals in the Antarctic; neither did it participate in the conference of the consultative parties to the 1959 Washington Treaty held recently in Brussels.

When the Convention on the Law of the Sea was signed on 7 December 1984, the representatives of the Community issued a declaration stressing the need to improve the arrangements for the mining of the seabed, as set out in Part XI, in order to make them universally acceptable. Consequently, the Commission cannot consider these arrangements as a possible model for the mining of minerals in the Antarctic.

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Question No 57, by Mr Stauffenberg (H-554/85)

Subject: Negotiations with Malta

Does the Commission consider that the answer which it gave on 8 August 1985 to a written question by Mr Stauffenberg (637/85) in which it stated: 'The Commission did not consider it appropriate to make the conclusion of negotiations with Malta conditional on respect for democracy and human rights' compatible with the principles upon which the Foreign Ministers of the European Community based their decision on 10 September 1985 in Luxembourg to impose sanctions on the Republic of South Africa which, unlike Malta, is neither associated with the European Community by treaty nor a member of the Council of Europe?

Answer

The Commission notes with interest the comments made by the honourable Member on the answer given to Written Question No 637/85.

It reiterates once again that in its relations with third countries it has on numerous occasions stressed the importance it attaches to pluralist democracy and full respect for human rights.

However, this has not led the Commission to adopt the same position towards Malta as towards the Republic of South Africa.

In each individual case, the Commission examines the best procedure to be followed in order to achieve the desired result.

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Question No 58, by Mr Clinton (H-555/85)

Subject: Equality of treatment for EC citizens in third-level education

Could the Commission clarify the position as to whether citizens of one Member State, wishing to pursue higher education in another, are entitled to the same grants and benefits as are available to the citizens of the host country?

Answer

Citizens of one Member State, exercising their right of free movement as a worker, are entitled to the same grants and benefits as are available to the citizens of the host country. Similar rights apply to their children¹.

In a recent ruling of the Court of Justice² it was clearly stated that to demand payment of fees or taxes from students from other Member States as a condition for access to vocational education courses, where this condition was not applied to national students, constituted discrimination on grounds of nationality prohibited under Article 7 of the Treaty.

The Commission has requested Member States to provide information on national legislation relating to payment of fees by students and to the granting of benefits. At this stage, the Commission is awaiting replies from the Member States.

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Question No 62, by Mr Von Wogau (H-350/85)

Subject: Community authorization for heavy goods vehicles with semi-trailers of a total length not exceeding 15.50 m

In my Oral Question No H-194/84³ I asked the Commission for information concerning the authorization conditions for HGVs with semi-trailers. In the light of the answer at that time I would ask the Commission if there is now Community legislation allowing HGVs with semi-trailers of a total length not exceeding 15.50 m to operate freely throughout the Community?

Answer

The Council adopted a first directive on harmonizing weights and dimensions on 19 December 1984.⁴ The provisions of this directive come into force on 1 July 1986, which means that articulated vehicles having a total length not exceeding 15.50 m will circulate freely within the Community at least from that date onwards.

Additionally the Council in a statement for the minutes requested Member States to adopt the standards laid down in the directive as far as possible prior to the official dates of application and in the meantime not to oppose the free movement in international traffic of vehicles which comply with those standards.

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Question No 63, by Mr Van Miert (H-431/85)

Subject: The detention of Benazir Bhutto

On 29 August 1985 Mrs Benazir Bhutto, Acting Chairman of the Pakistan People's Party, was detained in Pakistan and placed under house arrest.

This action was taken despite assurances previously given by the Pakistani authorities that Mrs Bhutto would be allowed full freedom of movement on her return from Europe for the funeral of her brother, Shanawaz, and occurred while she was in full mourning for the death of the latter.

¹ Reg. EEC 1612/68, Arts. 7 and 12.

² Ruling of the Court 293/83 (Gravier Case).

³ Debates No 2-317, October 1984.

⁴ Directive 85/3/EEC of 19. 12. 84 OJ L 2/3.1.85 p. 14.

The Commission of the European Communities has submitted to the Council a proposal for a regulation on the conclusion of an agreement on commercial, economic and development cooperation between the European Economic Community and the Islamic Republic of Pakistan.

What measures does the Commission intend to take to secure the release of Benazir Bhutto?

Answer

The Commission is not in a position to judge all the circumstances relating to Miss Benazir Bhutto's house arrest. However, the honourable Member can be assured that every opportunity will be taken of reiterating to the Government of Pakistan the importance of respect for human rights.

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Question No 67, by Mr Romeos (H-478/85)

Subject: Table olives

What stage has been reached in the work to create a common organization of the market for table olives and how far has the Commission taken into consideration Parliament's resolutions laying down the following objectives for the common organization of the market:

- a guaranteed income for producers,
- protection against imports from third countries,
- unimpeded movement and marketing of the product,
- the opportunity for total control of the market?

To achieve these objectives, there is a need for:

- aid for processing activities,
- export refunds,
- stockpiling,
- production aid.

Answer

The Treaty concerning the accession of Greece to the EEC calls for the Council to decide on any specific measures to be taken concerning table olives by 31 December 1985 at the latest.

Such measures will be adopted on a basis of a report to be forwarded to the Council by the Commission. The Commission intends to present this report, which takes into consideration the resolutions adopted by the European Parliament on this subject, as soon as possible.

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Question No 69, by Mr Adamou (H-507/85)

Subject: Tuition fees of students of Member States of the Community at educational establishments in Belgium

In response to a previous oral question on this subject to the EEC Council (H-209/85)¹, the President of the Council informed me that the European Court of Justice, in a decision of 14 February 1985 had confirmed that Article 7 of the Treaty of Rome prohibits discrimination on the basis of nationality and consequently discrimination against students of Member States studying at educational establishments in another Member State of the Community; and that consequently if national authorities do not comply with the decisions of the European Court of Justice, it is up to the Commission to ensure that these decisions are respected.

Since, despite assurances from the Belgian Government, the Belgian education authorities are continuing to discriminate against students of other Member States studying in Belgium — and notably against Greek students, who are required to pay enormous tuition fees — what measures does the Commission intend taking to ensure that the Belgian authorities comply with the spirit of Article 7 of the Treaty of Rome and the decisions of the European Court of Justice?

Answer

In accordance with the powers conferred on it by the EEC Treaty, the Commission has examined the legislative and administrative measures adopted by the Belgian authorities in order to comply with Community law in the matter of tuition fees for students, as interpreted by the European Court of Justice in Case 293/83 (Gravier).

On the basis of that examination, the Commission is pursuing accelerated proceedings under Article 169 of the EEC Treaty against Belgium, and has finally brought the matter before the Court of Justice on 1 October 1985 (Case 293/85).

The Commission has applied to the Court for interim measures to safeguard immediately the interests of the EEC students concerned.

On 25 October 1985, following the procedure provided by Art. 186 to the Treaty, the President of the Court of Justice, ordered the Belgian authorities to guarantee the access of Community students, under certain conditions, to University courses involving vocational training.

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Question No 70, by Mr Beazley (H-530/85)

Subject: Contacts between the EC and the Gulf Cooperation Council

Insofar as the present Commission proposals for the renewal of the GSP envisage a concentration of the benefits of the system on the least developed of our trading partners, would the Commission not agree that any agreement which especially favoured the richer Gulf States would be in clear contradiction of this principle?

Can the Commission please assure me that during the recent high-level contacts between the EC and the Gulf Cooperation Council, the concept of a bilateral and preferential trade agreement was definitely ruled out by the Commission's representatives? Were this not to have been the case, would not such an agreement have been a contravention of GATT at a time when the preparation and arrangements for a new GATT round are under way?

¹ Minutes of the part-sessions, 10 July 1985, Provisional edition, p. 158.

Answer

The present Commission proposals for the 1966 GSP scheme respond to changing circumstances in world trade. As the honourable Member is aware the Community's GSP scheme is autonomous and non-contractual. There is no intention to especially favour any country or groups of countries. The Commission proposes to take the present policy of allocation of benefits on sensitive industrial products a stage further by introducing selective product/country exclusions, on the basis of objective criteria related to an exporting country's performance in the EC market. However, no Gulf country would be touched as a result of the application of the tests.

The exploratory conversations which have taken place between the Commission and the Gulf Cooperation Council to date have examined the possibilities of an overall commercial and economic cooperation agreement between the two regions without coming to any firm conclusions on the type of agreement to be concluded. Agreements of this kind which already exist between the Community and other countries or regional groupings in no way contravene the rules of GATT and would not prejudice any new GATT round.

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Question No 72, by Mr Pearce (H-549/85)

Subject: American tariffs or quotas against goods from the EEC

Has the Commission made full plans to retaliate against the United States in the event that the United States raises tariffs or installs quotas against goods from the EEC; if so, have the United States exporting industries that would be affected by such retaliation been made clearly aware of such facts?

Answer

Several bills seeking to introduce a general import surcharge have been tabled in the US Congress. The Commission has made representations to the American administration and Members of Congress objecting to the adoption of such legislation. At present the likelihood of the introduction of a surcharge seems to have diminished somewhat.

To counter the protectionist tendencies of Congress the American administration has adopted an 'offensive' attitude, which involves refusing import restrictions (as in the case of shoes) but attacking what are considered to be 'unfair' practices by third countries. Some cases can be cited as examples in this context:

- (a) the case of Mediterranean Community preference: the United States took retaliatory measures on 31 October against pasta imports from the European Community (from 1% to 40% or 25% for pasta containing eggs). The Community immediately riposted by increasing import duties for American lemons and nuts (from 8% to 20% and from 8% to 30% respectively).
- (b) the case of tinned fruit: the US has criticized Community aid for processing and is threatening to take retaliatory measures if the Community does not abolish them by 1 December 1985. The two sides are currently trying to find a mutually acceptable solution, but complete abolition of this aid is totally unacceptable to the Community.
- (c) the United States' avowed intention to lodge a complaint under the GATT anti-subsidy code against Community export refunds for cereals.

The Community has reacted strongly, threatening to take action against the US 'Export Enhancement Program', through which the US subsidizes exports of agricultural products, particularly to the Community's traditional markets in North Africa. The Council of 22 October formally expressed Parliament's determination in this respect.

The Commission has undertaken an in-depth study of unfair trade practices by the United States in order to be prepared, if necessary, to take retaliatory measures against such practices by the United States affecting the Community.

The American export industries, including the agricultural lobby, are well aware of the dangers inherent in an escalation of mutual trade reprisals, and for this reason have already declared their opposition to restrictive measures by the Americans.

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Question No 73, by Mrs Jepsen (H-567/85)

Subject: Flour levy on exports of bread products to Norway and Sweden

In the case of exports of European/Danish bread products (e.g. small deep-frozen French loaves) to the Norwegian and Swedish markets, the Norwegian and Swedish Governments levy a charge on flour which in the last year alone has been doubled.

This levy is much higher than the refunds paid by the Community on exports to third countries and the flour levies in Norway and Sweden are now in the process of depriving, among others, Danish producers of their strong competitive position on the Scandinavian market.

Is the Commission aware of this state of affairs and does it take the view that the steady increase in flour levies is in keeping with the Community's free trade agreement with these countries?

Answer

The Commission is aware of the problem of trade in bakery products with Norway. We share the view of the honourable Member that Norwegian practices are not in compliance with the EEC-Norway free trade agreement.

The problem in fact concerns all bakery products, not simply those referred to by the honourable Member, and exports from several Member States in addition to Denmark are adversely affected.

The Commission has raised this matter with the Norwegian authorities on a number of occasions during the last 18 months. We have been given to understand that the Norwegian authorities are in the process of reforming their national legislation in order to avoid such over-protection. It is to be hoped that this reform will alleviate the situation.

The Commission's services have only recently been informed that a similar problem may exist in relation to Swedish levies on these goods and they are currently examining that situation. As soon as these enquiries have been completed, the Commission will provide details to the honourable Member.

The Commission can assure the honourable Member that it will continue to make every effort to arrive at an equitable solution with both countries.

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Question No 77, by Mr McCartin (H-584/85)

Subject: Storage and disposal of farm effluent

Can the Commission state whether Irish farmers can get any grant aid for the storage and disposal of farm effluent. If not, will the Commission not agree that from an environmental point of view such grant aid should be made available?

Answer

Article 3 of Regulation (EEC) No 797/85 on improving the efficiency of agricultural structures¹ provides for aid for investments in the protection and improvement of the environment carried out under a farm improvement plan. The draft farm improvement programme presented by the Irish Government for the implementation of this Regulation provides for aid for slurry storage and spreading equipment.

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Question No 78, by Mr Newton Dunn (H-589/85)

Subject: Publicity as a result of controversial Commission actions

When the Commission embarks on actions which are controversial to the public, such as a sale of cheap butter or beef to the Soviet Union, would it be possible for the Commission to give simultaneous information to MEPs (who are asked by the public to give an explanation) and to the press?

Answer

The Commission is aware of the need to inform adequately and in good time the Members of the European Parliament about its policy.

This applies, in particular, in the case of controversial items, such as those to which the honourable Member refers.

In this context it might be recalled that Vice-President Andriessen, responsible for Agriculture and Fisheries Policy, was present at the meeting of the Agriculture Committee of the European Parliament during its session of 26 September 1985, in order to inform the Parliament of the intentions of the Commission as to its strategy to dispose of surpluses in the animal sector.

Decisions to implement this strategy, taking into account the remarks made by individual members of the Agriculture Committee, have been announced by the Commission since that meeting.

Those decisions include special disposal measures for the internal market as well as measures related to exports of certain Community products (dairy, beef, cereals) to third countries.

With regard to press information, the Commission gives regular, detailed information to the press, through its Spokesman's Group, on any significant decisions it has taken.

With regard to this particular subject, Mr Andriessen himself held a press conference on 9 October to inform the press of the Commission's decisions relating to the special disposal measures.

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Question No 79, by Mr Daly (H-593/85)

Subject: British dairy farmers

Does the Commission consider that it is fair that up to 48% of British dairy farmers will effectively be prevented from applying for the proposed outgoers' scheme because of the

¹ OJ L 93, 30 March 1985, p. 1.

fact that Regulation 857 attaches the quota to the land and the majority of landlords have refused to allow tenants to apply for the existing UK scheme and would it not agree that a scheme of quota transfers separated from land, operated through a central agency, with appropriate safeguards, would be fairer and more efficient?

Answer

The Commission is aware that according to the rules of the outgoers scheme for milk producers which has been operated in the United Kingdom under the provisions of Article 4(1) (a) of Regulation (EEC) No 857/84, successful applications by tenant farmers for this national scheme have also required the consent of the landlord.

By contrast, the proposal which the Commission has recently presented to the Council for a Community cessation scheme in the milk sector makes no such requirement.

The proposed Community scheme will be open on a voluntary basis to any milk producer who has obtained a reference quantity and who undertakes to discontinue milk production definitively. Member States may decide to exclude producers with less than 6 cows from being eligible but there is no provision which implies that access to the scheme by a tenant is subject to the consent of the landlord. Indeed, the proposal specifically provides that in the case of rural leases, the request for compensation under the scheme shall be presented by the lessee. However, Member States may provide that a part of the compensation may be paid to the lessor if the latter has effectively contributed to the production of milk on the holding concerned.

In the context of its preparations of the proposal for a Community milk product cessation scheme, the Commission has also examined the issue of transfers of quotas between producers but has concluded that, in present circumstances, the introduction of provisions permitting the transfer of quotas independently of the holding could seriously weaken the effectiveness of the proposed cessation scheme and would therefore conflict with the objective of securing a reduction in the overall level of Community milk deliveries by voluntary means.

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Question No 81, by Mr Smith (H-596/85)

Subject: ECSC loans to Merryweather of Ebbw Vale, Gwent

Has the Commission any figures as to the number of firms that are likely to follow the lead given by Merryweather in Ebbw Vale, Gwent, in leaving the area to which they receive cheap ECSC loans, without incurring any penalties? Could it explain why Merryweather of Ebbw Vale, Gwent, were not forced to repay the subsidy on the ECSC loan as distinct from the loan itself, and would it explain the use of drawing up contracts on the terms relating to ECSC loans if they are not willing to take action if the other party breaks the agreement?

Answer

The Commission is not acquainted with any case comparable to that of Merryweather.

It can only add that both the Commission and the British Government reacted immediately to the firm's change of location and that Merryweather suffered considerable financial disadvantages in consequence:

1. On hearing of the firm's move, the Commission immediately stopped the payment of the interest subsidy.
2. The British Government withdrew the exchange rate guarantee for the loan, which also meant a financial setback for the firm.

In general, all contracts on loans of this sort contain provisions on the cancellation of favourable terms for interest if the conditions for them no longer obtain, and the Commission always takes the appropriate steps. In this case the Commission reacted immediately, as mentioned above, and cancelled current interest benefits.

The Commission can assure you that it deals with problems of this sort with particular care.

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Question No 82, by Mr Eyraud (H-598/85)

Subject: Food poisoning from imported horsemeat

Whereas a second bout of food poisoning resulting from the presence of trichinosis in horsemeat imported from Eastern Europe affected more than 200 people in France in late September;

Whereas the French Government has responded by adopting the following measures:

1. a temporary ban on all imports of horsemeat (except in frozen form) from any country,
2. systematic testing for trichinosis of meat produced in French slaughterhouses,
3. an appeal to all countries exporting pigmeat to submit proposals to it with a view to the implementation of an efficient system of trichinosis detection in accordance with Community rules;

Whereas two consecutive accidents would indicate that a major health hazard exists;

What view does the Commission take of the measures adopted by the French Government and what measures does it propose to take itself to prevent further imports of contaminated meat into Europe?

Answer

The cases of human trichinosis due to imported horsemeat, according to investigations carried out by the French authorities, and the measures taken by these authorities regarding horsemeat have been discussed in the Standing Veterinary Committee. The French authorities have informed the Commission and the Member State delegations of the measures they deemed to be necessary.

There have been contacts between the Commission and the French authorities with a view to carrying out a detailed investigation of the situation, in particular the specific cause of the cases of human trichinosis. On the basis of the information thus obtained, the Commission plans to bring the matter quickly before the relevant Community bodies (Standing Veterinary Committee and the Scientific Veterinary Committee) so that appropriate measures can be adopted.

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Question No 83, by Mr Seefeld (H-599/85)

Subject: Expansion of the second European School at Woluwe

What action does the Commission propose to take over the plans to expand the second European School at Woluwe in Brussels — which parents' representatives rejected with

only one exception — since carrying out the work to extend the school while tuition is still taking place in the building obviously constitutes a risk to the children's safety?

Answer

The Commission shares the concern of the parents about the proposed enlargement of the school premises on the existing site at Woluwe. It considers that the plan to build additional classrooms on the existing Woluwe site is ill advised, on the one hand because the site is already inadequate for the existing population of the school and on the other hand because the building operations will create unacceptable conditions for the children. The Commission has appealed to the Belgian Government through the Minister of External Relations not to go ahead with the existing project but, pending a permanent solution, to provide temporary accommodation either on the site of the proposed playing field or on land adjoining the site of the school on the Woluwe side. Discussions at technical level with the Belgian Ministry of Public Works have shown that such temporary accommodation can be provided at an acceptable price and in time to accommodate the increase in numbers expected in September 1986 following the enlargement of the Community.

The provision of buildings and facilities for the European Schools is a matter for the Member States in which the schools are situated and the Commission has stressed to the Belgian Government the urgency of finding a permanent solution for the expansion of the European Schools in Brussels. It is estimated that in five years' time the capacity required could be as high as 7 000 compared with the existing school population of 5 000 (over 2 800 at Uccle and over 2 100 at Woluwe). In the Commission's view it is clear that a third school is required and the Commission welcomes the statement by the Minister of External Relations that his services are ready to consider a proposal from the Governing Board of the European Schools.

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Question No 85, by Sir James Scott-Hopkins (H-605/85)

Subject: Accidents at fairgrounds

In the light of the alarming number of accidents which have occurred recently at fairgrounds and similar places of entertainment, does the Commission intend to put forward proposals for legislation to ensure that the highest standards of safety are required from all who provide such forms of entertainment throughout the Community?

Answer

The Commission has not yet made any enquiries into this matter and does not, therefore, intend to take any action at the present time, particularly as the problem would seem to be one to be dealt with at a local level. Nevertheless, the Commission is looking into this matter.

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Question No 86, by Mr Roelants du Vivier (H-606/85)

Subject: Action programme to combat fraud in the veterinary sector

Can the Commission state whether it has in fact started drawing up an action programme to combat the irregularities and frauds committed in the veterinary sector in violation of Community regulations?

Answer

The Commission has included this question in its current working programme. Preparatory work has already begun with the view of making appropriate proposals to the Council within the shortest possible time.

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Question No 88, by Mr Griffiths (H-613/85)

Subject: Railway maintenance in the Sudan

Will the Commission state what progress has been achieved with its project to improve the operation of the railways in the Sudan, for the transport of emergency food aid to the West of the Sudan, using the Transmark subsidiary of British Railways; and does the Commission consider that this project could be usefully expanded through cooperation with Indian Railways (who are helping to maintain Sudan's railways through a project sponsored by the World Bank) under the terms of the EEC-India Cooperation Agreement which foresees joint cooperation ventures in third countries?

Answer

The special food trains project (10 million ECU) which is currently under implementation comprises locomotive rehabilitation (85% total project costs), on the spot track and bridge repair, signalling and communications and technical assistance. The locomotives repair work is underway and other equipment is either the subject of negotiations with suppliers and tendered for.

The EEC management support (Transmark UK) and the joint Sudanese/donor "steering committee" set up as a condition of project implementation have successfully supervised the transport of around 50 000 tonnes of food representing over 60% of total food delivered to Darfur since May this year. The rest was carried by the EEC airbridge and road operations.

The EEC, in coordination with the 'steering committee' and other donors is examining further preventive track maintenance and strengthening work to consolidate and improve the reliability of the train services.

Procedural constraints prevent the utilization of the services of the Indian railways in any possible extension and development of the special food trains project. For the time being, the EEC is limiting its association with the World Bank sponsored railway project, to general coordination and training programmes.

While the idea of utilizing the services of Indian Railways is attractive in the context of trilateral cooperation, it is not readily implementable and possible ways of doing this in the future are under consideration. But for the time being the considerable expertise in steam trains still available in Europe is being fully employed.

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Question No 94, by Mr Howell (H-638/85)

Subject: Reform of the CAP

What progress is being made in persuading the Council of the need to reform the CAP?

In the light of the political difficulties in the cereal sector, does it recognize that the price mechanism alone will not solve the surplus supply situation in that sector?

Answer

Consultations are being held following submission of the Green Paper on perspectives for the common agricultural policy on 13 July 1985. The Commission intends to draw conclusions from these consultations and decide what proposals need to be made towards the end of the year. It should also be remembered that, in the course of the last three years, the common agricultural policy has often undergone radical changes in many sectors: introduction of guarantee thresholds for most agricultural products, introduction of milk quotas, new arrangements for the common organization of the markets in fruit and vegetables and in wine. With regard to agricultural structures the Council, on a proposal from the Commission, adopted a reform of structural policy in March 1985 and decided to implement the integrated Mediterranean programmes in July 1985.

All these changes, which are now part and parcel of Community legislation and have a far-reaching effect on farms, show that the Commission has done everything that lies within its power of initiative and that the Council of Ministers has become aware of the seriousness of certain problems.

The Commission shares the honourable Member's view that the problem of cereal surpluses cannot be solved through the price mechanism alone. A sudden and dramatic cut in prices would have negative repercussions on many farms. The Commission is therefore thinking more in terms of a package of measures in which prices are the key factor, but which also take account of the socio-structural consequences which every change inevitably brings with it. From this point of view timing is more important than the severity of the measures.

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Question No 95, by Mr Alavanos (H-642/85)

Subject: Activation of Articles 108-109 of the Treaty of Rome

The expiry of the transitional provisions of the Treaty of Accession of Greece to the Community (on 1 January 1986) is expected to lead to a new and grave worsening of the already large deficit in Greece's balance of payments, with consequences for production, employment and the whole of the national economy.

In view of this situation, does the Commission propose to take emergency action, activating Articles 108-109 of the Treaty of Rome to restrict imports, prevent the removal of restrictions on capital movements, etc.?

Answer

In response to the protective measures taken by the Greek authorities under Article 109 of the EEC Treaty, the Commission immediately undertook an examination of these measures, the economic situation in Greece and the Greek Government's economic reform programme. The result was a recommendation to the Greek Government in accordance with Article 108(1).

In order to restore the Greek balance of payments to a lasting state of equilibrium, and to restore normal trading relations within the Community, the Commission considers that a Council recommendation for granting mutual assistance under Article 108(2) is justified in addition to the stabilization measures proposed by the Greek authorities, which show great determination.

Furthermore, in conjunction with the Greek authorities the Commission has undertaken a detailed examination of the precautionary measures taken to date and also the Greek

Government's request for certain derogations relating to capital movements to be extended beyond the transitional period in accordance with Article 108(3) of the EEC Treaty. The aim of the Commission is to prepare a Community framework decision under Article 108(3) of the Treaty as soon as possible.

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Question No 96, by Mrs Lizin (H-644/85)

Subject: AIDS

Will the Commission state what support it intends to give to research into AIDS in the various European research centres and indicate whether it could introduce a specific research programme on this subject in 1986?

Answer

The Commission has been endeavouring for some two years now to secure coordination of research into AIDS. Since 1984, nearly one million units of account have been devoted to this end from the Community budget. Around 350 000 units of account of the funds allocated to the medical research programme have been used to organize scientific conferences and regular meetings of national AIDS research coordinators with a view to exchanging scientific information and securing maximum coordination of current research work. In addition, funds have been set aside from the medical research programme to support the establishment of an epidemiological data base under the auspices of the World Health Organization.

The Commission has requested the Pasteur Institute, which has been particularly successful in carrying out AIDS research, to coordinate basic immunological and virological research within the Community. A sum of 150 000 units of account has been set aside for this purpose.

Finally, 400 000 units of account from the funds allocated to research into tropical medicine have been spent on investigations into the epidemiology of the AIDS disease in equatorial Africa.

The Commission is thus attempting to do all it can to promote scientific work across a broad front with the aim of combatting AIDS. The Commission therefore very much welcomes the efforts of the Committee on Energy, Research and Technology to secure an increase in funds for AIDS research in the coming financial year.

The Commission moreover intends to submit a proposal for a new medical research programme covering 1986-1989 to the Council of Ministers in the first half of 1986, which will include increased support for AIDS research.

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Question No 97, by Mr Iversen (H-647/85)

Subject: Tests carried out into breast milk, cow's milk and other dairy products

A series of tests carried out in Denmark to establish the dioxin content of milk has shown that a child weighing 20 kg exceeds the so-called limit-value (the TDI-value) with an intake of one litre of milk per day. Is the Commission aware of tests for the dangerous

Sevenso type of dioxin in breast milk, cow's milk and other dairy products carried out in the ten Community countries, and what conclusions has it drawn from the information concerning the dioxin content of fatty dairy products?

Answer

The Commission is aware that in the last two years in Denmark an extremely limited number of analyses have been carried out to assess the dioxin content of cow's milk and human milk. A broad range of results has been obtained revealing levels apparently higher in human milk.

An attempt has been made on the basis of these studies to establish a provisional TDI-value equal to 5 picograms per kilogram of weight per day.

Some of the levels found in cow's milk would cause this limit to be exceeded in a child of 20 kilograms which consumed one litre of milk per day.

Other countries have adopted different approaches. Because of the different methods used in establishing the TDI-value, there is little point in comparing the results of analyses in different countries.

At the specific request of Parliament, the particular problem of the toxic effects of chemical substances on children has been included in the Community action programme on toxicology for health protection in Annex I, Item 1.8: assessment of methodology to determine the effects of chemical substances, including chemical substances present in human milk, on children and the newborn.

This item was included in the annex and received the support of Parliament.

In 1985 the Commission and the WHO organized a joint meeting on methodology for the assessment of the infantile toxicity of chemical substances, including those present in human milk.

Further investigations on the assessment of risks to children's health will be carried out as part of the toxicology action programme.

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Question No 98, by Mr Beyer de Ryke (H-651/85)

Subject: Disappearance of two Belgian citizens

As a participant at the Helsinki, Belgrade, Madrid and Ottawa Conferences, which made provisions for the reunification of families, can the Commission discuss with the Soviet Government the disappearance of two Belgian citizens, Mr Paul der Bordht and Mr A. Gonsette, both members of the resistance against the Nazi regime, and Mr Schieren Gerhard, compulsorily drafted into the German Army, all to whom are probably still detained in the Soviet Union?

Answer

The Commission has always attached the greatest importance to the observance of the provisions of the Helsinki Final Act, including those relating to the reunification of families, and does what it can to promote implementation of these provisions.

However, given the absence of diplomatic relations between the Community and the Soviet Union, the Commission considers that the question of possible representations to that country concerning the individual cases mentioned by the honourable Member would

be a matter for consideration by the Member States within the context of political cooperation.

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Question No 99, by Mrs Hammerich (H-652/85)

Subject: Danish law on chemical substances

The weekly, *Notat*, in its edition of 11 October 1985 reports that the Commission's objections are, in particular, to a clause in Danish law whereby Denmark expects merely to be informed when a substance not marketed here before is imported into the country. It is difficult to see what objection the Commission can have to this desire for openness and information, when what is at stake is the health and safety of consumers and workers. The Commission has put pressure on the Danish Government in the past, with the result that our legislation on chemical substances has been modified. In principle, at least 20 000 substances are allowed into the country and, at a conservative estimate, Denmark now has to accept 100 new substances a year which we have neither tested nor approved, merely on condition that these substances have been notified to the authorities in another Community country. Consumer and environmental organizations in Denmark regard this interference on the part of the Community as clearly impairing our legislation and increasing the risk of the population's being exposed to toxic and unhealthy substances. The Community likes to portray itself as the protector of the environment and health. But this claim cannot be taken seriously unless the Commission withdraws its action.

Will the Commission withdraw the action it has taken against Denmark on the grounds that our legislation on chemical substances infringes Community rules?

Answer

The Commission does not have the text of the publication mentioned by the honourable Member. Generally it is the policy of the Commission not to comment or justify its attitude in public once a judicial procedure has started. This is the situation here, since a case was brought to the European Court of Justice as to the question whether the Danish legislation conforms to Community law on dangerous substances. The problem raised in the question figures among the problems that have been submitted to the Court.

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SITTING OF FRIDAY 15 NOVEMBER 1985

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IN THE CHAIR: MRS PERY

Vice-President

(The sitting opened at 9 a.m.)¹

Mr Cryer (S). — Madam President, the Minutes demonstrate what an enormous amount of time was spent on voting. I understand that the enlarged Bureau is to consider in the near future the possibility of having a look at our proceedings. I wonder if my comments and the sort of Minutes that we are faced with today can be brought to the attention of the Bureau because it really is absurd, for an assembly which

claims to be a forum for exchanging ideas, to spend 5 or 6 hours doing nothing else but vote with the result that, when people wish to give an explanation of vote, only a few seconds are allotted to each person and even then there are calls for people not to do so. It really is the wrong priority. We should be concentrating on debate first and voting second. I hope you will bring these comments to the attention of the enlarged Bureau.

President. — Mr Cryer, I take note of your remarks and I shall pass them on.

Mr McMillan-Scott (ED). — Madam President, you are probably aware that the debate on the Comett report of Mr McMillan-Scott began last night and that, therefore, the agenda for today's sitting is incorrect. I do not know how you wish to rearrange matters but I would point out that, under Rule 85, that debate is to be continued. We may have to proceed with the

¹ *Approval of minutes — Membership of committees — Texts of treaties forwarded by the Council — Petitions — Documents received — Procedure without report (vote): see Minutes.*

McMillan-Scott

agenda a little later on this morning but we are still in the middle of a debate.

President. — Mr McMillan-Scott, our normal practice is to begin with the reports scheduled for urgent procedure, and then to go on with the agenda. That is the way we usually proceed. Consequently I think that we should abide by this order today.

Mr C. Beazley (ED). — Mr McMillan-Scott is quite correct. The debate did begin. There was an attempt to refer it back to committee and it was then that the debate was interrupted. Obviously your ruling is in accordance with the normal practice of the House and we should continue with the voting now but I think that Mr McMillan-Scott's report should be taken immediately when the voting is finished, although it does not appear on the agenda.

President. — Ladies and gentlemen, we can continue to waste time and give explanations. But there is nothing new about this procedure! We have always proceeded in this way; even a debate which has begun during a night sitting we resume at the place set out in the agenda.

Whilst I understand the position of a number of colleagues, I nevertheless, as President, consider it untenable and I therefore propose that we begin our work.

1. *Votes*

Interim report without debate drawn up by Mr Croux, on behalf of the Committee on Energy, Research and Technology, on the communication from the Commission to the Council (COM(85) 525 final — Doc. C 2-110/85) on new Community rules for State aids to the coal industry, concerning Annex 2, amending Decision No 528/76/ECSC (Doc. A 2-132/85).

Explanations of vote

Mr Croux (PPE), in writing. — (NL) The debate on the new European coal mining policy has been given a new impetus today with the approval of this interim report which establishes both a procedure and a time-scale.

The central issue in it is the continuation of support measures by the Member States for their coal industry. The ECSC Treaty bans national subsidies in principle but permits them in critical periods of restructuring. The general practice in the four coal producing countries (Belgium, West Germany, France and Great Britain) since the sixties has been that the governments

have granted heavy subsidies to their coal mines. The Council has always given its permission but the most recent decision on this expires at the end of this year.

Since the beginning of 1985 the European Community has been preparing a new system to enter into force on 1 January 1986. After lengthy examinations and consultations the Commission announced its proposals in September for the period 1986-89. The Committee on Energy, Research and Technology of the European Parliament has continually insisted that this matter should not be rushed through too speedily and that the Parliament should have an opportunity to debate it properly. The Commission obligingly provided for three stages in its proposal.

For the first six months of 1986 the present system of unlimited admissibility of grants will continue; during this first phase there must be a debate on the future regulation.

During the second stage, from 1 July 1986 until 30 June 1987, the Member States have the opportunity of informing the Commission of their views and aims for their coal policy until the end of 1990. The Commission will decide before 30 June 1987 and these decisions will then come into force in the third phase, namely up until the end of 1990.

Our first report expresses a favourable opinion on the first stage, that is a continuation of the present system for a further six months. The second and third stages will be debated by Parliament's Committee on Energy, Research and Technology on 28 and 29 November.

Meanwhile the Consultative Committee of the ECSC in Luxembourg has given a favourable opinion. This week the Council of Energy Ministers also approved a transitional period until 30 June 1986, and will soon be able to take a definitive decision, after receiving Parliament's opinion.

I am pleased that the amendments tabled to my report have been withdrawn, so that my report can be adopted with a large majority.

Mr Ulburghs (NI), in writing. — (NL) I shall approve Mr Croux's report. But I am afraid that this report is a sop to obscure the definitive dismantling of the coal industry. Will Mr Croux and those others who support this interim report also protest next year against the closure of European coal mines in favour of the controversial nuclear energy and imported coal from South Africa?

If not, then all this is simply a stay of execution; a little oxygen is being offered to a condemned man. The welfare of dozens of families of mineworkers, in Belgium, Limburg, Britain, Germany, Spain and the like, is at stake.

Mr Vandemeulebroucke (ARC), in writing. — (NL) First of all I wish to lament the fact that several opportunities have been missed in this last session week to have an in-depth debate on this issue. First of all no debate was held under the urgent procedure, and I myself had prepared an urgent motion for a resolution for it on the Limburg coal mines. And then this report before us was passed without debate.

The situation in Limburg becomes more serious as each day passes. Plans were announced recently for a reduction in production from 6.3 to 5.5 million tonnes and redundancies of 20% of the work force. A further threat is that the Campine coal mines will henceforth have to manage without EEC investment aid, under the new criteria, which incidentally only take account of *one* production factor, namely underground work. If attention is concentrated solely on this one criterion, excluding the automation factor for example, then a distorted picture of the real situation is given.

Neither the miners in Limburg nor those in other 'marginal' mines should be allowed to become the victim of the disastrous short-term policies of the last ten years.

That is why I support the motion for a resolution tabled by the rapporteur. I only have a reservation about the planned timetable. We absolutely must have proper consultations to plan a well-founded long-term policy for coal. This policy must also be part and parcel of an overall strategy on energy.

While awaiting a definitive decision on future strategy, I am in favour of continuing the present regulations on support. The report before us will contribute to that, and it therefore will receive my support.

Mr Vernimmen (S), in writing. — (NL) There is no doubt about it that the coal industry is facing structural difficulties. Indeed no one can deny that in the Flemish region of Limburg the very existence of the Campine Coalmines (the NV Kempense Steekolenmijnen) is under serious threat. That is why we must think about the situation in a region such as Limburg which gives little cause for comfort but which nonetheless exists and cannot be overlooked. And in this context we remember a speech by Mr Karel de Gucht on 18 January 1984 in a debate on Mr Rogalla's report in which Mr de Gucht said, and I quote, '*Coal production in Limburg is a lost cause and we must dis-mantle it*'.

But,

- is that not a simplistic approach to the coal problem in Limburg?
- Is this really the proper solution for this area?
- Can we in Europe just sit back and watch more and more workers being threatened with redun-

dancy and running the risk of joining the ranks of the unemployed?

Of course not! I don't believe it!

It is high time that an end was put to that kind of thinking.

Coal production in Limburg is one of the basic components of the industrial and social infrastructure, and this branch of industry should not be judged solely on economic grounds. In addition to the criterion of 'economic profitability' attention must also be paid to certain regional imperatives and social consequences. The closure of the Campine Coalmines would upset the economic and social balance of Limburg.

— The gross regional product would drop by 15.2%

— The unemployment rate would rise from its already high figure of 25% to 30-35%.

This would be a tremendous blow to employment, which is socially unacceptable, especially if such a region cannot even count on a suitable reconversion policy.

The social responsibility of helping workers affected by closure, both socially and through an appropriate reconversion policy, is a very obvious and urgent demand. Hence the need to approach this affair with great caution.

Hence too the need for a policy which offers the Limburg mines a real chance of survival and guarantees for dozens of jobs.

We cannot consider responding to the challenge facing us simply by destroying lives, creating unemployment and creating havoc.

Mr West (S), in writing. — My support for the Croux report recognizes that the Commission's proposed new regulation covering aid to the coal industry amounts to a massive climb down from the position it adopted in the now infamous leaked document of a few months ago.

Parliament's support for this report must not be seen as approval of EEC interference in the right of Member States to determine all aspects of support to such a basic industry as coal.

The Commission must now give full consideration to the ECSC opinion emanating from its 253rd session on 4 November 1985, and also to the widely supported view of the EEC/UN Committee on Coal, which at its meeting in Geneva on 31 October, pre-

West

dicted that world demand for coal will double by the end of the century.

(Parliament adopted the resolution)

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Report without debate drawn up by Mr Croux, on behalf of the Committee on Energy, Research and Technology, on the communication by the Commission to the Council (Doc. C 2-109/85-COM(85) 419 final) on a decision amending Decision 73/287/ECSC of 15 July 1973 concerning coal and coke for the iron and steel industry in the Community (coking coal system) (Doc. A 2-131/85): adopted

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Report without debate drawn up by Mr Cornelissen, on behalf of the Committee on Budgets, on the proposal from the Commission to the Council (Doc. C 2-33/85 — Com(85) 170 final) for a regulation extending the term of validity of Regulation (EEC, Euratom, ECSC) No. 2892/77 implementing in respect of own resources accruing from value-added tax the Decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources (Doc. A 2-126/85)

and

on the report from the Commission on the implementation of Council Regulations (EEC, Euratom, ECSC) Nos 2891/77 and 2892/77 of 19 December 1977 implementing the Decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources (Doc. A 2-126/85).

(Parliament approved the Commission's proposal as amended)

Mr Herman (PPE). — (FR) Does the Commission accept the proposal in its present form which includes changes made by Parliament?

President. — The Commission may speak if it so wishes.

Mr Christophersen (DA), Vice-President of the Commission. — Madam President, we do not think it is a good proposal and we cannot therefore support it. We think that the arrangement we have today has brought about a reasonable institutional balance, so we have no

wish at the present time to make any change in the situation.

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(Parliament adopted the resolution)¹

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Report by Mr Ferruccio Pisoni, drawn up on behalf of the Committee on Social Affairs and Employment, on the proposal from the Commission to the Council (Doc. COM (85) 451 final — Doc. C 2-86/85) for a regulation amending Regulation (EEC No 2950/83 on the implementation of Decision 83/516/EEC on the tasks of the European Social Fund (Doc. A 2-124/85)

(Parliament approved the Commission proposal as amended)²

Mr Pisoni (PPE), rapporteur. — (IT) I should like to remind you of Commissioner Narjes's reply yesterday to a question on the Commission's stance on the proposed amendments. He said the Commission was willing to accept them with only one reservation on the term 'new measures' contained in Amendment No 3 to the text of the Commission's proposal.

To facilitate the removal of this reservation, we eliminated the word 'new' and we believe the Commission will now be in a position to accept *in toto* the opinion of the Committee on Social Affairs and Employment.

Mr Welsh (ED), president of the Committee on Social Affairs and Employment. — Madam President, as chairman of the committee, I think the Rules require that the Commission be asked to make a statement at this point. Therefore, I think we should ask Mr Christophersen to confirm, on behalf of the Commission, that all the amendments are accepted before we go on to the vote.

Mr Christophersen (DA), Vice-President of the Commission. — Madam President, I cannot accept all the motions for amendments on the Commission's behalf. I understand that Commissioner Narjes already spoke on the matter yesterday. I repeat that we can accept Amendments nos 1, 2, 4 and 11, but we cannot support Amendments 3, 9, 10 and 13.

¹ The rapporteur was:
— FOR Amendments Nos 1, 2 and 6 to 9;
— AGAINST Amendment Nos 3 to 5 and 10.

² The rapporteur was:
— FOR Amendments Nos 1, 2, 4, 10 (1st part) and 13;
— AGAINST Amendment No 10 (2nd part).

Chrisophersen

I was not able to follow the debate very closely yesterday, but the Commission's view is still that, apart from the amendments mentioned, there is a problem with the last sentence in the amendment proposed in Article 1, letter c).

Mr Welsh (ED), president of the Committee on Social Affairs and Employment. — Madam President, I have not had an opportunity to consult the rapporteur, but my own view is that the committee would wish this matter to be referred back. Therefore, I think Mr Pisoni, as rapporteur, ought to ask for the report to be referred back so that this difficulty can be finally cleared up.

Mr Pisoni (PPE), rapporteur. — (IT) I should like to ask the Commissioner kindly to indicate the precise point of our proposal that the Commission is unwilling to accept.

Mr Christophersen (DA), Vice-President of the Commission. — Madam President, it is the last sentence in Article 1, letter c — i.e. motion for Amendment no 13.

Mr Pisoni (PPE), rapporteur. — (IT) I should like to point out that the final part of Amendment No 3 reads as follows: 'The Fund intervenes only at the beginning of such measures'.

This is in keeping with the normal practice of the Fund, and I do not see, therefore, what difficulties there could be.

If the Commission persists in its attitude, we shall make a formal request for the voting to be suspended and the report to be referred back to the Committee.

Mr Welsh (ED), president of the Committee on Social Affairs and Employment. — Madam President, I merely want to say that the Commission has absolutely no excuse for not knowing how to answer Mr Pisoni's question.

(Applause)

Gosh, this must be my lucky morning!

(Laughter)

The Commission was advised by me on Tuesday that this issue was going to come up. It was fully covered in the debate. The *cabinet* of the Commissioner responsible was aware that this question was going to be put and I find it disappointing that the Commission does not have its brief and its documentation together in such a way that it can conform with this procedure. I mean no disrespect to Mr Christophersen but I think

that if Parliament is to act in a constructive way the Commission ought to do its homework too.

(Applause)

Mr Christophersen (DA), Vice-President of the Commission. — Madam President, that is right, and it is kind of you to point out that I did not attend the debate yesterday evening. But it is not correct that I did not answer. My answer was that in the Commission's view there is a problem regarding the last sentence in Amendment no 13. The sentence reads: 'Le Fonds n'intervient que lors de la mise en route de ces mesures' (Fund assistance may only be granted during the initial stage of these measures). It is a sentence which the Commission feels gives rise to a problem. If you wish to refer the proposal back to committee, the Commission has no objection. But it is true that I was somewhat surprised that we worked so quickly through the agenda, and it is also true that I did not take part in the debate yesterday evening. This does not alter the fact that the Commission has a distinct point of view. I have also indicated what amendments we can accept.

President. — Ladies and gentlemen, I am now submitting to you two proposals in line with our Rules of Procedure. The first, proposed by Mr Welsh and our rapporteur, requests referral back to committee. We can also proceed in a different manner and I should like Mr Welsh and the rapporteur to intervene after my own proposal. Under Rule 36, where the Commission proposal as a whole is approved, but on the basis of amendments which have also been adopted, it is possible to postpone the vote on the motion for a resolution, without referring the report back to committee. This means that the Commission in the interim would furnish the more precise answers that the rapporteur wants. I should like to hear the views of the Committee chairman and the rapporteur on these two procedures before putting them to the vote.

Mr Welsh (ED), president of the Committee on Social Affairs and Employment. — Madam President, thank you for your proposal. I think the important thing is to use Article 36. If we use Article 35 it is impossible for the Committee to discuss the matter again but if we use Article 36 we will invite the Commission to send a representative to our meeting which takes place on Monday and Tuesday to explain the attitude on the amendments. We will then pass it back and can then put it on the agenda for December when the House will be able to decide. If, however, we use Article 35 all these negotiations will have to take place outside the committee structure and I do not think that would be very desirable. Therefore, I would prefer to use Article 36. I am sure we can solve the problem quite quickly and all being well we will bring this motion back in December.

Mr Pisoni (PPE), *rapporteur*. — (IT) I entirely agree with Mr Welsh that what we are concerned with here is not a deeper examination of the questions but a better understanding of the text.

Pursuant to Rule 36 (2) of the Rules of Procedure Parliament decided to postpone the vote on the motion for a resolution, the matter being deemed to be referred back to the Committee responsible for reconsideration.

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Report by Mr Hutton drawn up on behalf of the Committee on Regional Policy and Regional Planning, on the proposal from the Commission to the Council (Doc. C 2-65/85-COM (85) 331 final) for a regulation amending Regulation (EEC) No 1787/84 of the European Regional Development Fund (Doc. A 2-138/85): adopted

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Report by Mr Vandemeulebroucke drawn up on behalf of the Committee on Regional Policy and Regional Planning, on regional policy in Spain and Portugal and the consequences of enlargement for the European Community (Doc. A 2-143/85): adopted¹

2. Carriage of goods

President. — The next item is the report (Doc. A 2-136/85) by Mr Ebel, drawn up on behalf of the Committee on Transport, on the proposals from the Commission to the Council (Doc. 2-1510/84 COM (84) 688 final) for:

- I. a Council directive amending the First Council Directive of 23 July 1962 on the establishment of common rules for certain types of carriage of goods by road between Member States (carriage to or from a Community seaport of goods imported or exported by sea)
- II. a Council regulation amending Regulation (EEC) No 3568/83 as regards the liberalizing of the rate-fixing system for carriage to or from a Community seaport of goods imported or exported by sea.
- III. a Council directive on the organization of the markets for the carriage to or from a Community seaport of goods imported or exported by sea.

¹ The rapporteur was:
— FOR Amendments Nos 3 and 4;
— AGAINST Amendments Nos 1 and 2.

Mr Anastassopoulos (PPE), *chairman of the Committee on Transport*. — (GR) Madam President, I have already had the honour of telling the House, on Monday, that as chairman of the Committee on Transport, I intended to ask that Mr Ebel's report be referred back to the Committee. That was not only because the report was passed by virtue of a mere six votes in its favour, four against, and six abstentions, but also because even with this formal but not substantial majority it could be a report that presented clear political choices on which the House could decide. I fear, however, that there has been a great deal of confusion as a result of the amendments tabled, and since some of these were accepted, the House could find itself in a difficult position in relation to adopting an attitude on a subject that has become rather delicate after the recent decision by the Court of the European Communities.

For these reasons, Madam President, I would ask you to put it to the House whether this report should be referred back to the Committee on Transport, as I request.

Mr Newton Dunn (ED). — Madam President, Mr Ebel's report was adopted by the Committee on Transport only two weeks ago. Since then no new information has been put before the Committee. The report was not unanimous. How many reports in any committee are unanimous?

I do not think it is a sensible use of Parliament's time, nor of the extremely overworked Committee on Transport's time, to take the report back for a further bite at the same cherry. I understand the feelings of some people in the Committee who were not present during that Committee meeting and who wish to take it back so that their opinions can be included. I understand the feelings of the chairman, who would like to preside over a unanimous committee, if possible. However, I do not believe it is possible in this particular case.

We know that Parliament's work is very heavy at the moment. We know, for example, that the Committee on Agriculture, Fisheries and Food's report on the reform of the agricultural policy cannot even be put on the agenda for the December part-session. That is the state of overwork of this Parliament. I do not think it wise for any committee — and particularly not my own committee — to take this back to committee again, when we have passed it in accordance with the perfectly normal procedure, just to have another go at it. It will only further add to the workload of Parliament.

Mr Stevenson (S). — Madam President, I wish to support the chairman of the Committee on Transport on referral back. I do not see Mr Ebel in the Chamber — I think he was here earlier — which is a pity. Mr

Stevenson

Newton Dunn said that no new information has been transmitted to the Committee since it last met. Of course! That would be impossible. It has not met since this report was debated and discussed, so it is physically impossible for any new information to have been put to it.

It is quite clear that the basis of this report is in some confusion. It would be the right move, in my view, to refer it back.

Mr Patterson (ED). — On a point of order, Madam President. I want you to clear one thing up. Is there or is there not urgency demanded on this debate? When you replied to Mr McMillan-Scott earlier, you said that the von Wogau report came before the McMillan-Scott report because urgency had been requested. Now this report comes even before the von Wogau report. Has there been urgency demanded for this report or not?

President. — My reply is in the negative.

(Parliament decided upon referral back to committee)

3. Computerized administrative procedures (CD Project)

President. — The next item is the report (Doc. A 2-144/85) by Mr von Wogau, drawn up on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on the proposal from the Commission to the Council (COM (85) 285 final — Doc. C 2-58/85) for a decision relating to the coordinated development of computerized administrative procedures (CD project).

IN THE CHAIR: MR GRIFFITHS

Vice-President

Mr von Wogau (PPE), rapporteur. — (DE) Madam President, let me begin by making an observation on the procedures. An urgent debate was requested on this report, following which there were some difficulties and confusion in the drafting of the amendments. I should like to point out that Mr Rinsche's amendment must be dealt with first in the subsequent vote.

This report was treated as an urgent one, and therefore gave rise to some absurdities in the amendments. I should like to make sure that Mr Rinsche's more far-reaching Amendment No 8 is taken with Amendment No 1. I do not know if it is printed that way in the voting lists, but I would tend to assume it is not so. I would ask you to rectify the matter in good time.

Here we have Parliament's report on the Caddia and C.D. project on the provision of opportunities to make the computer systems used by customs authorities, other authorities and firms in the European Community compatible with each other for the free exchange of information between these computers and the provision of the requirements for such an exchange. It is an important programme for the development of the internal market, and can make a real contribution to its completion by 1992.

In my capacity as rapporteur I agree with the Commission's project, except for one thing. The report does not rule out the building-up of further computer capacity within the internal frontiers of the European Community during a transitional period, and I know that there are already concrete projects underway in several Member States.

I must say that as your rapporteur I am strictly against such procedures. Experience has shown again and again that computers do not speed up clearance at the internal frontiers but slow it down even more. I shall quote two examples, one of which you are all familiar with. When you arrive at Zaventem airport in Brussels and go through customs control you will notice that there is a computer there recording the entry and exit of every passenger. This procedure makes for longer delays in Brussels than in other places.

Another example. If you enter a particular Community country which has a computer installed for the alleged easing of clearance, the average waiting period for lorries is an hour and twenty minutes. If you travel in the opposite direction, where there are no such computers, you will have to wait approximately twenty minutes. This illustrates that the installation of computers does not yet guarantee the speeding-up of procedures. Such computers, on the contrary, lead to the situation in which individual clearance may be speedier, but the amount of data which must be entered is thus increased so that one ends up with a slowing-down rather than a speeding-up of the procedure. I am fully convinced that if computer hardware is installed at the frontiers it will result not in the completion of the abolition of frontiers by 1992, but their continued existence.

Thus, this report takes into account and guarantees that no further data input will be provided at frontiers. To be sure of this, we also decided yesterday in the debate on the Budget that a substantial proportion of the funds provided for the Caddia and C.D. project will be entered in Article 100, so that Parliament maintains control over compliance by the Commission with the wishes we shall have expressed in the vote.

(Applause)

Mr Patterson (ED). — Mr President, first of all I welcome the work done by the rapporteur, Mr von

Patterson

Wogau, on this rather important matter. I too find the paperwork quite extraordinary on this report — guaranteed to cause confusion and to waste paper. We not only have all the amendments clearly written out in Mr von Wogau's report but then we have it all typed out again identically on purple sheets of paper in English. It seems to me we could have saved ourselves a lot of trouble and confusion.

I too will support Amendment No 8, which clarifies one important matter raised by Mr von Wogau. The first issue raised by the CD project is that we must be clear in our minds about the objective, which is to do away with all internal frontiers and all requirements to present documents, fill in data and be held up at those frontiers. This is one of the areas where the good can sometimes be the enemy of the best. By making things seemingly more efficient, by installing computers, you could actually freeze the whole situation and in the long run make it more difficult to abolish those frontiers altogether.

Therefore, we support the whole thrust of Mr von Wogau's report that this project should not lead to computers and data entry requirements at the internal frontiers. The objective is to get rid of this altogether and only have data entries at the Community's external frontiers.

We had some argument in the Committee as to whether putting the computers themselves on the frontiers was the important matter. As a matter of fact, it does not matter where you put the computers. The computers could be in Paris, Bonn or London. What matters is you should not have to enter data when you cross the frontier. Therefore, maybe we are right to have the phrase which is in Amendment No 8: 'neither the computers nor data entry requirements should be at the Community's internal frontiers'.

Zaventem is a very good example, isn't it? We wait much longer now we have got computers at Zaventem, and the Belgians have given away the game because we Members of the European Parliament are now freed of this onerous requirement. That means, I suppose, that in general members of the ordinary public will only have to wait a few seconds less. What we want to do is get rid of these requirements for all passengers, not just Members of this European Parliament.

The second worry I have arises from the attitude of some of the member governments to this project. I have received some briefing from my own government. I turn to the Commission here. Some member governments are very worried that the project has not been sufficiently thought out either in terms of timetable or in terms of cost. The doubt is expressed that this project can be in place with full interoperability of the systems by 1992. I think it is extremely important that it is in operation by 1992, that the internal frontiers have disappeared and that all data requirements

are properly corrected at the Community's external frontiers.

I should like an assurance from the Commission that they can convince the member governments of the viability of this project and make certain — and this is the big danger — that each Member State does not go ahead with its own computerization projects. That would only result in 10 completely different non-interoperable systems and in the whole internal market being set back by years.

With those reservations, I warmly support Mr von Wogau's report in the name of my group.

Mr Christophersen (DA), Vice-President of the Commission. — Mr President, I should like on behalf of the Commission to express my appreciation for the speed with which the report has been presented by Mr von Wogau. I should also like to take this opportunity to thank Parliament as a whole for the support it has given to the CADDIA programme, of which the coordinated development project forms a very important part.

The Commission agrees with Mr von Wogau's assessment of the problems and with his approach in focusing attention in the report on that part of the coordinated development project which is concerned with the internal market. It is a key element in the Commission's programme of work. He has also stressed how important it is that we avoid a situation in which the customs barriers of the past are replaced by the data processing barriers of the future. The Commission entirely shares this view. I must say to Mr Patterson that, to the extent that the Commission can give assurances, I will assure him that the Commission will work to avoid a situation in which computers impose barriers to replace those we have today. I therefore stress once again that the Commission attaches great importance to cooperation with Parliament which will ensure that the matter is dealt with speedily.

With regard to the motions for amendments which have been tabled, I think I can say that I do not have any problems this time. The Commission can accept all seven of the amendments tabled. We can also accept the corrigendum which has been issued — we have made a little more progress this morning! We are now in a situation in which there is complete harmony between Parliament's and the Commission's interpretations of the amendment.

I have no more to say on Mr von Wogau's report except to express my thanks for the interest which has been shown and, in particular, for the speed of presentation and for Parliament's willingness to deal with the matter under the urgency procedure.

Mr Herman (PPE). — (FR) I do not know if my fellow members got a better translation than I did, but

Herman

the Commissioner expressed his agreement with seven of these amendments; however, there is an eighth amendment which is probably the most important and to which we do not know his reply, at least in the French translation. Could we have the matter clarified, please?

Mr Christophersen, Vice-President of the Commission. — (DA) Mr President, it is purely a problem of interpretation or comprehension. I said: the seven motions for amendments plus the corrigendum, which has been put forward as an 8th amendment. In other words the Commission accepts all eight amendments.

President. — The debate is closed.

(Parliament adopted the resolution)¹

4. Natural disaster in Colombia

Mr Lambrias (PPE). — (GR) Mr President, I thank you for allowing me to speak, and am sorry to intervene outside the agenda. However, since it is Friday and Parliament's present part-session is shortly due to end, I think it is very proper — and I speak on behalf of the European People's Party — to make some gesture to express our sorrow over the tragedy in Colombia. I think it would mean a great deal if the European Parliament were to send a telegram expressing humanitarian empathy and sympathy for the people who suffered that terrible disaster. I think that an immediate reaction of this sort would reflect well upon the European Parliament and demonstrate its vitality.

(Applause)

Mrs Veil (L). — (FR) Mr President, on behalf of my group I give my wholehearted support to the PPE spokesman's statements. I am even wondering if it would not be possible to ask the Commissioner immediately to tell us what possible steps the Commission could take to alleviate quickly the situation in this country, which is going through a particularly difficult time.

(Applause)

Mr de Courcy Ling (ED). — Further to that point of order, Mr President, I would like to support the remarks made by Mrs Veil and to ask the Commission to be quite specific about the emergency aid which is available from Chapter 9 of the budget. I trust that consultations have already taken place among the

Commissioners this morning to decide what figure can be made immediately available to provide help to the families of these 20,000 people who have died in Colombia.

Mrs Fullet (S). — (FR) Mr President, we in the Socialist Group share the views which have just been expressed by the previous speakers. I believe we have made provision in the Budget for natural disasters. I myself saw some pictures on television this morning. I should also like to ask the Commission about urgent measures we can implement to improve things even a little in this devastated country. France has already sent aid teams. Action by the Commission and Parliament is indispensable given the solidarity we talk so much about.

Mr Bonaccini (COM). — (IT) Mr President, our group is in favour of the initiative. We cannot speak on behalf of the governments, but we ask the Community, for its part, to express not merely verbal solidarity but also concrete and material solidarity which is what these people particularly need.

Mr Lalor (RDE). — Mr President, on behalf of the European Democratic Alliance, I would like to be associated with the expression of sympathy arising from this tragedy in Colombia. I heard Mr de Courcy Ling talking of 15,000 dead. I am told the numbers may be anything from 15,000 to 50,000, and the unfortunate survivors and families of the dead must be in a desperate way. My group would be very anxious to be associated with anything that we could prevail upon the Commission and Council to do to relieve and in some way console the people left behind in Colombia.

President. — I can assure the House that I shall pass on to the President the sentiments of sympathy and of awareness of the need for help that the House has expressed for the people in Colombia. I will also ask the Commission if it has had time as yet to make an estimate of what it might be able to do to help.

Mr Christophersen (DA), Vice-President of the Commission. — Mr President, thank you for putting the question to the Commission. I should like to take this opportunity of expressing the Commission's full support for what has been said in this Chamber. We are at present assessing the extent of the disaster and the possibilities open to us. We have resources available under the budget, and the Commission wishes to make an active contribution. I cannot state an amount at this stage, but I appeal to the budgetary authority, where appropriate, to help us with the necessary transfers. It may turn out that we need them to help finance our effort. But I can confirm that the Commission is

¹ The rapporteur was:
— IN FAVOUR of amendments No 2-7 and 9.

Christophersen

endeavouring to establish as quickly as possible where, with what and by how much we can help.

5. *Technology (training programme)* (continuation)

President. — We now resume the debate on the report (Doc. A 2-141/85) by Mr McMillan-Scott on Comett (1986-1992)¹

Mr Adam (S). — Mr President, as our group's spokesman on the Committee on the Rules of Procedure and Petitions, I have appreciated very much the way in which the point of order regarding Colombia has just been raised and handled in this Chamber. I think we all ought to note that this is an excellent way in which our Rules can be used with understanding chairmanship, and it ought to be an object lesson to us in many of the other debates and interruptions that take place.

I rise on Rule 101(3) and (4) to point out that these provisions in our Rules of Procedure have not been applied with regard to the McMillan-Scott report. These are the Rules which provide for the arrangement whereby other committees are asked for their opinion on a matter before a major committee. I know that there are varying practices in existence in the various committees to deal with this, and it may be that I am not choosing the most appropriate of times to raise this matter. However, I would ask that you, Mr President, refer this matter to the Committee on the Rules of Procedure and Petitions. In any case, in my judgment, it was not proper for the report to come before Parliament before these provisions had been observed.

President. — Mr Adam, I will be able to take up your request that the matter be referred to the Committee on the Rules of Procedure and Petitions. We cannot go into it in any more detail, because we had a discussion and a vote last night on whether or not we should continue with the debate. The debate must continue this morning.

Mr Estgen (PPE). — Mr President, I read this morning that Mrs Margaret Thatcher and Dr Garret Fitzgerald, the British and Irish prime ministers, are on the point of signing the Ulster pact between the UK and Ireland. Both cabinets gave their approval to the proposed agreement. I think that this Parliament, which always stands for greater union and understanding between our nations, should note this agreement with satisfaction, for we can now look forward to a better relationship and understanding between the UK and Ireland.

(*Applause*)

President. — Mr Estgen, I am sure that when the pact is signed and we know what is in it and there are moves to greater unity, everybody will appreciate it.

Mr Welsh (ED), president of the Committee on Social Affairs and Employment. — Mr President, my point is actually relevant to the point Mr Adam raised. I am sure that all British Members, whatever their particular point of view, will hope that the problems of Northern Ireland can be resolved. I was a little surprised at the alacrity with which you accepted Mr Adam's point. The fact of the matter is that my committee was asked for an opinion and it delivered on time its opinion.

President. — Mr Welsh, may I stop you? I accept that some committees got their opinions in and I accept that the Committee on Energy, Research and Technology, for some reason, did not. As I see it, there is absolutely no harm in the Committee on the Rules of Procedure and Petitions examining the question of problems which may arise where some committees get their opinions in and others do not. I do not want to prolong this particular point of order because I have already made a decision and I cannot go back on it. If you want to put something in writing to the Committee on the Rules of Procedure and Petitions, please do so:

Mrs Daly (ED). — Mr President, I would like to support the views expressed by Mr Estgen. I know that every member of our group will be very pleased indeed about the pact and I hope that once it is signed, this House will be able to send a telegram of support to all parties involved in signing the pact between both sides.

(*Applause*)

Mrs Veil (L). — (*FR*) Mr President, I think that we are all happy about the contact between the British and Irish governments which resulted in the imminent signing of an agreement. However, I do believe that the Rules of Procedure must be observed. In fact, foreign policy debates on all events, even important ones, will only hamper our work.

I did ask myself this morning whether I would speak about the terrible tragedy in Colombia or not. I did not speak about it, but I thank the Christian Democrat Group for taking the initiative. I really think it was necessary and very important to show solidarity. On the other hand, we cannot allow debates to begin, even if we have reason to be pleased, on questions of foreign policy, no matter how important they might be, which concern our countries. I am simply speaking of the principle of the thing.

As I have the floor, may I say that I do not think we observed the Rules of Procedure in respect of the McMillan-Scott report. I think — and forgive me for

¹ See *verbatim report of proceedings of 14 November 1985*.

Veil

saying so — that the chairman of the Committee on Energy is not here. His committee was asked for an opinion but did not give it for reasons of procedure. Therefore, the Rules of Procedure are not being called into question but we should like to know the opinion of the chairman of the Committee on Energy. I should like to know if we can pursue this matter. The Rules of Procedure are very precise on this: Parliament must decide if it wishes to continue or not, in view of the fact that the Committee on Energy did not give its opinion.

President. — Mrs Veil, we are continuing with the debate. I have made a ruling on this already and I am calling Mr McMillan-Scott, the rapporteur, to speak.

Mr McMillan-Scott (ED), rapporteur. — Mr President, there have been times during this week when I have doubted whether we would ever get to this report. The comments this morning from around the Chamber with regard to the Colombian tragedy and with regard to the Irish issue remind us that there is a world outside. Part of that world is the youth of Europe who are expecting this Parliament to adopt and to forward a resolution supporting the Comett programme which is in their primary interests. Therefore, Mr President, I am grateful that we can now get on with the debate. I hope that the Parliament will this morning give a very firm push to the Comett programme because I believe it is a timely, sensible and practical proposal.

I am grateful to the Committee on Social Affairs and Employment for its opinion and for the opinions of other committees. I regret, as you do, that one committee was unable to produce its report in time. I am satisfied, however, that Parliament will support the Comett programme because, over the years, there have been many resolutions and reports in support of this type of activity.

Comett is in many ways a model programme. It meets the needs of Europe's youth by providing greater skills for them and therefore the prospects of greater employment. It meets the needs of Europe's industry in providing a motivated and skilled workforce, very much lacking at present in the Community. It also assists the academic community. At the moment, only 1% of Europe's students are moving between Member States. Comett will assist them in moving between one university and another. This, of course, is very desirable.

Now, Mr President, a detailed programme has been available, as we know, since August. However, Commissioner Sutherland, in the Commission's proposals for 1985, outlined the Comett proposals and this has given rise to a great expectation in the academic community, among young people and in industry in the European Community. It would, therefore, be a great

tragedy if today we failed to live up to the expectations of our people and in some way abused this, in my view, excellent proposal. There is expectation and we should meet it.

The Comett programme talks of four years. In my view it is essential that there should be four years in which the programme operates to provide consistency so that students entering a course may know that at some point during that course they will have the benefit of the experience of working in a foreign university, or, indeed, in an industrial organization in another Member State. The European Parliament in the motion for resolution will be calling for a yearly report on the Comett programme and this, of course, is practical and desirable. We need to know how the programme is progressing because we take the interests of youth very much to heart in this House.

The European dimension of the programme is absolutely crucial. It is therefore with great regret that I note that a number of the amendments put to this report call for the ending of any European dimension. Without the European dimension the Comett proposals are more or less pointless.

Mr President, when I stay in Strasbourg I stay in the Gutenberg Hotel. I mention this because Mr Gutenberg was the inventor of moveable type. This invention provided for the first great renaissance in Europe — a combination of technological change with the spread of academic ideas. Europe demands no less today. We know how much competition we face from the United States, from Japan and other parts of the world. The development of Europe's technology has now become a crucial issue in the Europe of today.

I, therefore, commend the proposals of the Commission. I commend my report to this House. I invite the support of the European Parliament and I remind it that there is an expectation outside this Chamber. There is an expectation among the young people, among the universities and in industry. Therefore, Mr President, I commend this report to the House and I hope it will have its fullest support.

(Applause)

Mrs van Rooy (PPE), substitute draftsman of an opinion from the Committee on Social Affairs and Employment. — (NL) The Committee on Social Affairs, like the Committee on Youth, Culture, Education, Information and Sport, has dealt with this Comett programme at considerable length.

The Committee on Social Affairs is very taken with the Commission's idea of encouraging cooperation between national technical universities and advanced industry in the field of education and training. The Commission had already announced this initiative in the programme presented to Parliament by Mr Delors

van Rooy

at the beginning of this year and we must congratulate the Commission on the energy shown in submitting this programme.

Nevertheless, the Social Affairs Committee has some criticisms to make of the proposed programme. First of all, the Comett programme is a Community superstructure on top of national programmes for cooperation between universities and industry. We know that this kind of programme exists in most of the Northern EEC Member States. But we know much less about the situation in Greece, Italy, Spain and Portugal. If a Community programme in this area is to be of equal value in all Member States, then all Member States must have a comparable basic infrastructure. And so we ask the Commission to aid those Member States which do not yet have this kind of national programme to set up one as quickly as possible.

A second point the Social Affairs Committee wishes to make is that the Comett programme is strongly biased towards exchange of information and experience between higher technological colleges and industry. But the Comett programme does not solve the fundamental problem of a lack of sufficient graduates in the technological sector. Students' interest in technological studies in the EEC is on the increase but still lags behind that of Japan and the USA. Europe has 260 engineers per one million inhabitants, the USA has 350 and Japan as many as 630.

A recent survey has shown that half the firms in Germany, France and Britain complain of a lack of highly qualified staff. There is also a shortage of managers in high technology industry. That is why the Social Affairs Committee thinks that in addition to the Comett programme there should also be energetic positive action to interest more young persons in this field of study. Particular attention should also be paid to the participation of girls in this kind of study. Some Member States have very few girls studying high technology. Once Europe has as many girls as boys opting for this course of study, there will no longer be a shortage of qualified engineers and managers.

A third point the Social Affairs Committee wishes to add to the debate is that the Comett programme is aimed at the European dimension of education and training in technology. Less attention is paid to European cooperation in the training of higher economic management, although problems in this sector frequently touch on problems in the technological sphere. That is why the Social Affairs Committee wants all parts of the Comett programme to have a two-fold character and technological and management training to be granted equal importance.

Finally, Mr President, a comment from the Social Affairs Committee on the second part of the Comett programme, the establishment of a so-called 'Open University for Technology'. Although the Comett programme contains no detailed plan of this idea, it

would appear that the thinking is in favour of an administrative institute with coordination responsibilities and 'distance' learning facilities. The Social Affairs Committee is very wary of this. We prefer the establishment of a European University for Technology and Management along the lines of the M.I.T. in Boston.

And one final point. The Social Affairs Committee wishes its criticisms to be construed as constructive. We of course approve of the Comett programme and the motion for a resolution which incorporates the amendments from the Social Affairs Committee and commend it warmly to the House.

Mr Bombard (S), substitute draftsman of an opinion for the Committee on Economic and Monetary Affairs and Industrial Policy. — (FR) Mr President, first, this committee voted by a large majority in favour of the increasing number of projects requiring the development of our human resources in the Community which is of fundamental importance both for the quantity and the quality of these projects.

Our committee supports the Comett-Project's aim to encourage more cooperation between university and industry which will bring about mutual enrichment and economies of scale through the pooling of resources of university and industry and a new emphasis on the university. We do, however, have some reservations about the Comett-Project. It entails several risks, most notably a narrowness of application and the excessive dependence of the universities. First, the narrow application; we must seriously ensure that the programme is applied not only to the larger universities, but also in the peripheral regions of the Community benefiting the small and medium-sized undertakings or the smaller universities. There is also the risk of the universities becoming excessively dependent on this type of work.

To sum up the position, the committee stresses the need for highly-qualified personnel and approves of closer university/industry cooperation. It fears, however, that the proposed programme would only really amount to a sprinkling of appropriations because there is a lack of large-scale national cofinancing. The Comett-Project covers only 350 teachers and 10,000 students over three years, which is a very low figure. Our committee is also afraid that this sprinkling of aid may result in a widening of divergencies in development within the Community. Finally, it notes the risk of university dependence, indeed of subordination to the arms industry.

These are the conclusions of the Committee on Economic and Monetary Affairs and Industrial Policy on the Comett-Project, and I should like you to take them into consideration.

Mr McMahon (S). — Mr President, the Comett proposal is a kind of follow-on to the report on new

McMahon

information technology in schools which the Parliament agreed about a month ago, when I happened to be the rapporteur. This is complementary to my own report. However, there are one or two little problems, though not with Mr McMillan-Scott's report, which is a very good one — we had a very full discussion in committee and quite a few of our amendments were taken aboard and adopted. But there are considerable difficulties with many of the Commission's original proposals and I would like the House to be aware of these when they come to vote on the report.

One of the suggestions in the report is that the Commission should finance many of the research developments of large multinational companies and the Commission should make some financial contribution to managers from IBM and National Semi-Conductors and Siemens and so on to go to seminars. These people are getting very adequately paid and reimbursed by their firms and I do not think we should be spending Commission money in this way. I am in favour of the cooperation and the meeting of minds and the interchange of experts and technologists, but I do not see when we have so many other problems in the Community that we should be giving very wealthy multinational companies largesse from the EEC to allow their managers and so on to go on these courses.

The other point the Commission proposals make, and Mr McMillan-Scott takes it up very well in his report, is the question of interchange of graduates and trainees. I think this is an excellent thing. The problem is though, Mr President, many education departments in Member States — and Mr McMillan-Scott points out in his report the inadequacy of financial provisions for undergraduates on courses across Community boundaries — do not provide sufficient funding to allow the students to take part in these courses. May I give you one example: we in the Committee on Youth, Culture, Education, Information and Sport three months ago received a deputation from Munster College and from Humberside College of Technology. We were told about a joint course on relations with industry: half of the time is spent in Germany, the other half in the United Kingdom. But the Department of Education and Science, and particularly Mrs Thatcher's answer to Rasputin, Sir Keith Joseph, will not allow adequate funding, will not designate this as qualifying for a proper grant. Now I think the Member States have got to get off their backsides and consider how they fund many of these exchange courses. This was an excellent course, the work was very well done and I would hope that both the Council of Ministers and the Commission will ensure that there is adequate funding for similar interchanges.

A great deal has been said about girls. In fact I believe one of the reports refers to 'the hidden potential of girls'. However, the West of Scotland is one of those areas where there is a very high level of female employment. In the electronics industry much of the workforce is female labour and so obviously it is

important that we take on board the provision in respect of females on these courses. And also of course, when we send people on these courses, they must not lose their pension rights, there must not be any deterioration in their salary or in superannuation or in many of the other conditions. I think it is quite right that both the Commission document and Mr McMillan-Scott's report take these things on board.

So these are some of the problems, Mr President, which we in the Socialist Group foresee. We are not very happy with some of the recommendations from the Commission; we feel that a lot of the Commission's work was rather rushed. The report which I did on new technology in schools we had for a considerable length of time, we were able to debate it and discuss it. The Commission's proposals were published in the month of August and everyone knows August is a holiday month. The Commission goes on holiday, the Council of Ministers go on holiday, the Members of this Assembly go on holiday, so it is not until September that people open their summer mail when they return from their holidays and find the material. And so the Commission's proposals percolated through to many of the Members in September, which really has only left them September, October and November, whereas my report we had way back at the end of last year and we had about seven or eight months to go through the Commission proposals on the study programme and the new information technologies in schools. It is because of the rather rushed way that the Commission proposals have come forward that we have some of these problems. But there are some good consultative proposals in Mr McMillan-Scott's report and I hope the House will consider them sympathetically.

Mr Brok (PPE). — *(DE)* Mr President, I should like to express my sincere thanks to the rapporteur for his good work and his cooperative attitude, and also to the Commission for not simply sticking to huge projects and major speeches where new technologies are concerned, but making proposals in a very practical domain. Not only in the field of education is it very important that we in Europe understand better how to further the cooperation between university and industry. It is a big mistake on our part if universities shut themselves up in ivory towers and regard it as immoral to cooperate with industry. The Japanese were better able to turn scientific knowledge into industrial products, thereby creating jobs. To this extent, cooperation between university and industry is also a job-creation programme. This should be made clear to many on the left of the House, who preach hostility towards technology and see problems in this connection, finishing up with lofty words about unemployment.

It is very important that we promote basic training in technology for students and further expansion of the teaching staff. We shall not be able to maintain our economic and social standards in Europe if we do not

Brok

succeed in having first-class staff. Europe's richness is not its raw materials, but purely and simply the capability of the people of Europe and their ability to produce exportable goods with a high market value. For this reason, it is of paramount importance for the Commission to bring some initiative to the Comett-Project. The amendments which have been tabled asking that the project be shortened to two years and reduced to 15 million ECU illustrate that this whole idea is not wanted at all and that an attempt is being made to destroy it at the outset.

For this reason, I should like to plead for the withdrawal of this suggestion of a reduction. The Commission should be given a chance to implement the idea completely with the other proposals which we made on that. I think it gives us a chance — not at national level but by cross-frontier cooperation — to have, in the development of new technologies, not only the large government projects in the Eureka-Project, but also to bring together young scientists during their education, to develop further projects through a cross-frontier mobilization of our capabilities.

The representative of the Committee on Social Affairs and Employment outlined clearly the problems of the open university. I should like to stress this clearly. In fact, this is a critical point, because there is the danger that such a university would become very theoretical. All that I found positive in cooperation between university and industry would be buried under mountains of paper. Therefore, the practical side of such measures must be taken more into consideration, and we must ensure that practical training is linked to scientific education, to prevent management, at the outset, from being drawn into an ivory tower.

I agree with the representative of the Committee on Social Affairs and Employment that we should perhaps found a school entitled European University for Technology to set new standards.

This project should be used to bring about Community development in Europe, in peripheral regions where education in new technologies has not yet achieved such great progress. This regional aspect must be taken into consideration and means, of course, that people taking part in these projects must also be covered by social security schemes.

(Applause)

Mrs Larive-Groenendaal (L). — *(NL)* Next year millions of people around the world will be on the lookout for Halley's comet. The appearance of this comet was traditionally regarded as a prelude to disaster. That of course is pure superstition. But if we Europeans do not quickly grasp *this* small comet, the Commission's Comett programme, with both hands, then we ourselves will bring disaster upon ourselves and our children. That is not superstition but a fact.

Our technological backwardness compared with the USA and Japan is growing worse every year, with all the consequences this has for unemployment. We do not only need cooperation between firms, Esprit, Race, Brite, etc. but also cooperation between universities and industry, training of teachers and joint training projects involving companies from several Member States. That is why the Liberal and Democratic Group has decided not to support the request for referral of Mr McMillan-Scott's report. We think it highly regrettable that the Committee on Energy, Research and Technology had no time to give its opinion. But we cannot afford the luxury of waiting still longer. In less than three weeks' time, on 5 December, the Council must be in a position to take a decision on the proposal. We must not allow this to be a Saint Nicholas present — on 5 December the Dutch traditionally celebrate St. Nicholas day — with only pretend presents. Governments will automatically be sceptical about the new ideas in Comett — the national bureaucracies will make sure of that. A clear positive opinion from this House can be a push in the right direction and a clear signal to take action.

Ladies and gentlemen, Sir Winston Churchill already said it in a different context: the Council and European Council are 'adamant for drift, decisive for indecision, resolute for irresolution'. Continual postponement is the recurrent sin of the European Community. It is the 'English vice' with which successive British governments, and especially Mrs Thatcher's, have cursed us. And so today we must not be party to setting a bad example of postponement, but emit an opinion today.

A few comments on Mr McMillan-Scott's motion for a resolution. We attach particular importance to paragraphs 12 and 15, as there is a shortage of technology students. We need positive action to encourage more young people to study technological subjects. And we must pay special attention to female students. It is high time, and absolutely essential, that we use the full potential of *all* our fellow citizens. Geniuses are not the preserve of the male sex alone. It is all the more important not to stifle potential talent in the making by old-fashioned prejudices.

The temptation is great to view new technologies solely in economic terms, but there is another important aspect. Our European culture is founded on our capacity to inspire intelligence and creativity. In modern terms this also means recognizing the vision of scientific discovery and the challenge of technological success. But if the European Community and its Member States do not give their own people the right opportunities, then we will get nowhere. This development has already started. The scientific revolution began in Europe. It is estimated that our generation numbers twice as many scientists, for example, as previous generations. But where are they? And how many of them are in Europe? And how many of them will

Larive-Groenendaal

emigrate to California or Japan before the end of this century if we do not act quickly?

The Commission proposals are a good start. However, they are vague, perhaps deliberately so, and are open to varied interpretation. That is why I ask you to support Amendment No. 3, tabled by Mr Brock, Mrs Seibel and myself, requesting the Commission to make an annual report to the Parliament, starting on 31 December 1986, on the progress made each year.

My group rejects most of the amendments tabled by Mrs Viehoff. We want to make a real start, we do not want an experiment with no strings attached, with the paltry sum of 15 million ECU. We support Mrs Viehoff's Amendment No. 21. A European technological institute aimed at supporting cooperation between research and industry strikes us as more feasible and realistic than a European University. Let us all refrain from telling everyone for electoral motives in all our Member States that this institute will be sited in our country; we shall wait and see about that. Let us limit this institute to technology and leave management out of it. We have Insead in Fontainebleau, we have Louvain, and we must not water down our resources.

Unless we want to become an open-air museum of bygone glory, Europe will have to consolidate its forces here and the Comett programme is a good start.

(Applause)

Mr McMillan Scott (ED), rapporteur. — Mr President, just a word now as a Constituency Member rather than as the rapporteur. I wanted to point out that in fact my interest in this matter started some time ago, and I have to report to the House that in my constituency we have the first operating university-industry partnership with York University and industry in North Yorkshire. I would also point out that two weeks ago Sir Keith Joseph, who has been referred to by other speakers, actually opened the first training programme, which, I am glad to say, was funded by the Manpower Services Commission — that is, using British Government and European Community Funds.

I now hope that with the Comett programme York University and its attendant industrial interests will be able to link up with other European universities.

Mrs Viehoff (S), draftsman of an opinion for the Committee on Energy, Research and Technology. — (NL) Mr President, I wish to begin by saying that I consider Mr Brock's comment that someone is trying to sink something here, quite shameful. I protest vigorously against it. As draftsman for the Committee on Energy, Research and Technology I regret that the Comett proposal is being debated here and now in the Chamber, at a time when we have been unable to express an opinion, whereas it was so important for

our Committee to do so as we are so involved in the subject matter.

Now that the House 'in its wisdom' has decided by a small majority to hold this debate, I should like to make the following points. The National Science Foundation in the USA has characterized American and European research as follows: European research is 'information orientated', American research is 'problem orientated'. I think that is also where the problems lie for Europe, which often creates difficulties in cooperation between universities and industry.

It is obvious that universities and industry can benefit from each other's experience, expertise and requirements. But this proposal here deals mainly with a very small number of faculties at universities (the science and medicine faculties and technical colleges) and a limited number of firms from only a few high-technology sectors. It does not involve the universities and industries which could benefit from this programme.

The Commission states on page 3 of its text that more room should be created for interdisciplinary programmes so that people do not graduate from universities with overspecialized degrees but that they have more general knowledge of the economic, social and cultural consequences of technological changes. I think this is an excellent starting point for adapting existing training courses because we do indeed need people with a broader education. The question, however, is whether a European exchange programme would really contribute to this fundamental change in the structure of study courses. As you know the European programme is mainly aimed at giving students at the end of their studies an opportunity to have a look at industry and lecturers with outstanding qualities a chance to familiarize themselves with industrial life, and finally at involving people from industry in university research. I doubt whether you would get the desired broadly-based grounding which is necessary for highly qualified employees. These people are already quite highly specialized.

The Commission's report suggests yet again that there is an enormous shortage, in terms of both quality and quantity, of highly qualified technical people. Practice shows, however, that when industry talks about shortages, it copes with these shortages very well. Existing employees are often retrained through internal procedures. Talking about shortages has a political function, in other words the suggestion is that (1) the existing education system has become totally inadequate and (2) that new jobs, i.e. employment, could be created if there were only people available with more suitable training. Experience in encouraging professional training has shown that it is not so much the qualification of people that is involved here, as retraining did not prove to be the answer. The relatively few lucky people with the appropriate top qualifications who will get jobs will do little to reduce the unemployment figures. Whenever industry really needs people with specific

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training then it is the duty of industry to provide them. Government can ensure a proper education infrastructure and well educated people with programmes taking account of technological change and changing demand for qualifications. But there is a difference between training people with a broad university education and people who undergo professional training. Neither the government nor the European Community should be involved in the latter, for that would then create distortions in competition with firms and sectors for which no specific training is set out.

Mr President, some countries such as the USA and Sweden are discussing clearing the way for creative fundamental research in the universities and not bothering the researchers too much with industry. Has the Commission also examined this approach?

Has the Commission realized that students and lecturers in the science and medicine faculties and technical colleges often only speak *one* other language, which makes the exchange of scholarship holders very problematical? For how can an Irish student work properly in an Italian concern, or a Greek student in a Dutch firm? It seems there are really many shortcomings in the cultural education of many students, and is it not precisely these shortcomings which would hamper the setting up of the Comett programme?

The programme is also far too vague about what kind of exchange projects can be considered under the programme. The fear is that only planned or already existing programmes will be financed. Nor is there any talk of adapting financing according to the importance of the participating firms and institutes of higher education.

The conclusion is that the number of candidates able to find work in the advanced technology industry will not be improved by this programme. And a final point, Mr President. Some of us, and I think I may speak on behalf of the Committee on Energy, Research and Technology, believe we should be working in another direction and I am thinking of problem orientated education and research, and I am convinced that not only industry but also institutes of higher education would welcome that. I am thinking of an institute such as the Massachusetts Institute of Technology.

I believe it is important to design programmes which start off with basic research, move on to applied research and end with production. I conclude with the hope that my amendments will be well received and supported.

(Applause from the Left)

Mr Welsh (ED), president of the Committee on Social Affairs and Employment. — Mr President, the two short minutes of my speaking time are necessary merely because you were unable to permit me to finish

my earlier point of order. But the point is rather a serious one, and it is this. There has been a great deal of criticism of the speed at which this report has been produced. Our colleagues on the Committee on Energy, Research and Technology feel that they should have had more time to prepare their opinion.

The point is that this proposal was introduced by the Commission in August, and my eminent colleague, the chairman of the Committee on Youth, Culture, Education, Information and Sport, decided, quite rightly in my view, that it was sufficiently important that it must be on the agenda of the Council for December, which meant in turn that it had to be adopted at this part-session. That decision having been taken, I think it was up to the various committees — and certainly in the Committee on Social Affairs and Employment we took this view — to ensure that we got our opinions to the Youth Committee in time, because we were not prepared to have the whole procedure blocked merely because we were waiting for one or another opinion. Committees do have their own responsibility in these matters. If our colleagues in the Energy Committee had been so keen to get their opinion in, then they should have applied for it early and they should have adapted their agenda so that they could be sure of passing it early. That was the remark that, I think, ought to be put on record, perhaps to compensate a little for Mr Adam's remarks.

My other point is this: if you are going to refer this to the Committee on the Rules of Procedure and Petitions, I think it is high time that some understanding was reached with the Commission about the sort of time-lag that is necessary for Parliament to do its job properly in between a Commission proposal being introduced and a Council decision. It is clear that for something like Comett we want it to go through quickly, because we all believe in it. But I suspect that we have not examined the Comett proposal in the minute detail that perhaps we should because of the pressure of time. So when you write to the Committee on the Rules of Procedure and Petitions, Mr President, could you also say that perhaps the time has come for a little discussion between Parliament's administration and the Commission secretariat-general about the length of time that is needed between the introduction of a proposal and delivery of Parliament's opinion, particularly when it is a matter that Parliament needs to attend to in detail.

Mr Prag (ED). — Mr President, I had not intended to speak in the debate, but I thought one or two of Mrs Larive-Groenendaal's remarks merited a reply.

I can quite understand that, as a Liberal, she would like to support the United Kingdom Liberals by attacking the policy of Mrs Thatcher, although United Kingdom Liberals are quite different from her kind of Liberal. The fact is that there are major programmes of the Comett kind already developing in the United

Prag

Kingdom, and several of the characteristics of the Comett programme are already being developed on a large scale. In my own constituency the involvement of industry in education at tertiary level for the use of high technology and advanced management is already very well developed indeed, particularly at Hatfield Polytechnic.

The second point is that a very important aspect of the new United Kingdom education policy is exactly to shift the emphasis in higher education to a more vocational and less academic basis, so that we produce fewer unemployable university graduates. That does mean, of course, that, although in real terms we are spending more money than ever on education in the United Kingdom, in certain things there are reductions. In this field, however, there is a very rapid expansion.

I did several reports as a member of the Committee on Social Affairs and Employment on subjects cognate to this and I regard the field as absolutely vital for our future. I warmly welcome this report, and in particular the extension into a European dimension that it will involve.

President. — Mr Prag, I think that education spending has increased in real terms by 0.6%, if the House would like to have that information.

Mrs Larive-Groenendaal (L). — (NL) I can be very brief. I was not talking about internal politics in the UK; I was talking about the way in which Mrs Thatcher's government is often tempted to hold up European decision-making.

Mr Christophersen (DA), Vice-President of the Commission. — Mr President, I do not want to get too involved in the discussions which have taken place on the rate at which the work is proceeding. But I will say one thing: both the Ministers of Education and the Ministers of Social Affairs in June clearly stated that they were calling upon the Commission to present proposals with a view to implementation during 1985. The Commission therefore chose to present at short notice concrete proposals to enable the Council to take a decision before the end of this year. I should like on behalf of the Commission to thank Parliament and its committee for, in spite of everything, having overcome all the technical difficulties which seem to have arisen in some quarters and for managing to produce a report.

The reason why the Council, the Commission and of course also a large majority in Parliament all want the matter to be processed with speed is that we can see that Europe is already lagging behind in a number of important areas. We know, for example, that we can only hold our own in economic competition if we make an extra effort in the field of technology. If we

look at how they deal with that situation in the United States and Japan, we see that we do much worse in Europe. We can see, for example, that over 60% of a year of school leavers in the United States go on to take a course of higher education. In Japan it is almost 40% of a year who continue their education in this way. In the European Community, fewer than 30% of a year of school leavers enjoy these opportunities, i.e. half the figure for the United States.

Another factor I would mention which also emphasizes the need for a rapid decision are the disquieting deficiencies, of both a qualitative and a quantitative nature, which exist on the European labour market. In a number of sectors — paradoxically enough in a situation of high unemployment — we lack qualified staff for work in technological fields.

These are some of the reasons why it is important that we get a decision taken quickly. There is also another argument of course: in present-day society we must break down the traditional barriers which may exist between institutions of education and firms in business and industry. We also need to introduce the European dimension and give young people the opportunity to learn and experience how people in different parts of Europe deal with research and development problems and how European business and industry function. It is the European dimension moreover which also features in the Adonnino report.

For all these reasons I should like on behalf of the Commission to thank you for the efforts you have made and merely present one or two comments on the report produced and the motions for resolutions put forward. First some considerations of principle on which I think Parliament can agree with the Commission: to begin with, we consider it important that the Comett programme is implemented in such a way that women and men participate on equal terms in the exchange programmes to be set up — that is something to which particular attention has been devoted, and the Commission can of course support that view. Secondly we agree that it is important for all parts of the Community, i.e. in the geographic sense, to benefit from the programme. Thirdly, we also agree that the two sides of industry should contribute to and participate in the framing of the programme. After all it is not something intended exclusively for a narrow circle of technical or scientific experts; it is a very broadly based programme. Finally we can agree to the setting up of a reciprocal system for the exchange of information and annual reporting between the Commission and Parliament.

This leads me on finally to the motions for amendments which have been tabled. There are many amendments to the motion for a resolution itself — I shall not comment on them at all — but the amendments which the Commission can support are the following four: No 3 on reporting, No 45, No 51 and No 55. The other amendments which relate to the

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proposal itself and not the resolution are Nos 4-14, No 28, Nos 40-44, Nos 47-50, Nos 52-54, and the Commission cannot support those motions.

President. — The debate is closed.

We now proceed to the vote.

Explanation of vote

Mr Mallet (PPE). — (FR) I give my full support to this very important proposal but I do not approve of the procedure. It is unusual that the Committee on Energy, Research and Technology, of which I am a member, was not given sufficient time in which to give its opinion, and I really do believe that the report should have been deferred to the December part-session. That is why I am abstaining from the vote, although I approve this proposal and emphasize its great importance.

(Parliament adopted the resolution)¹

6. Olive oil

President. — The next item is the interim report (Doc. A 2-129/85) by Mrs Boserup, on behalf of the Committee on Budgetary Control, on monitoring problems in the olive oil sector.

Mr Costanzo (PPE). — (IT) Mr President, together with other Members I made a request for this report to be referred back to committee, pursuant to Rule 85 of the Rules of Procedure. The Committee on Agriculture was asked for its opinion on this important question, which it will give only next week. For this reason, I am objecting to the fact that the Boserup resolution should be discussed and voted upon today, without the opinion of this committee. Lack of time prevents me from stating other reasons which would point to a referral back to committee.

President. — You have spoken as the author of this request under Rule 85. I shall call one speaker in favour and one against.

Mrs Boserup (COM). — (DA) Mr President, if no-one else will speak out against this request, I will. I cannot see what is to be achieved by referring the

report back. It was adopted unanimously. What makes you think we shall change our minds, and why can we not state our views in an interim report but must wait for the Committee on Agriculture to take its time until it is finally ready? It has had five months to do so, and I have repeatedly called upon it to produce its work. Now the Committee comes along and says that unfortunately it has not had time. It is deplorable! We promised that we would complete the work with a full report, which in all its various parts would of course take account of all aspects of agriculture. But it is too bad that we cannot be allowed to produce an interim report.

Mr Boutos (RDE). — (GR) Mr President, I too would share the view of my Italian colleague about referring the report back to the Committee on Agriculture, granted that I do not agree with the rapporteur about the completeness of the report. I consider it extremely superficial, because it is not based on facts and it does not fulfil the purpose it set out to. We are talking, here, about mismanagement of agricultural capital, limited to a single product, whereas we should be considering all the products and all the situations in connection with which contraventions of the Community's Regulations have been alleged. When the report becomes complete, then we can debate it.

Mr Aigner (PPE), Chairman of the Committee on Budgetary Control. — (DE) As Chairman of the Committee, I should like to say a few words. We have had this report since May, giving the Committee on Agriculture, God knows, long enough to give its opinion. On the other hand, I know that this Committee has a lot to do. I shall not reject the amendment on two conditions: first, we must receive the opinion of the Committee on Agriculture, Fisheries and Food before December. Second, it must be ensured that — and I ask the President to do so — at the latest in January we can hold this debate at a suitable time, that is on a more convenient day than a Friday.

It is ridiculous to place an own initiative report by Parliament on such an important market organization with a 1000 million ECU on Friday's agenda and not at a time when all groups concerned are represented. Let me repeat: if the report is deferred, it should be with a view to receiving the opinion of the Committee on Agriculture, Fisheries and Food in December and being able to hold the debate at the latest in January at a suitable time.

President. — Mr Aigner, I cannot guarantee that the Committee on Agriculture, Fisheries and Food will give their opinion in December and I certainly could not guarantee that the debate will be held at a better time in January.

Mr Romeos (S), draftsman of an opinion by the Committee on Agriculture, Fisheries and Food. — (GR) Mr

¹ The rapporteur was:

— IN FAVOUR of Amendments Nos 1-3, 7, 14, 17, 29, 30, 32-35, 44, 51 and 55;
— AGAINST Amendments Nos 4-6, 8-13, 15, 16, 18-21, 23-28, 31, 36-40, 46-50 and 52.

Romeos

President, I ask to speak as draftsman of the opinion by the Committee on Agriculture. I agree with the condition set by the chairman of the Committee on Budgetary Control. We, the Committee on Agriculture, do not disagree in basic terms with what has been said concerning the financial aspects. We wish to speak about the method and procedure for managing this subsidy in the future.

It is because Mrs Boserup's report goes into this matter that we have asked for it to be referred back, and for collaboration between the two Committees. As for the Committee on Agriculture's opinion, it is the first item on the agenda for Monday, 18 November, it will be voted upon, and during the same week it will be communicated to the Committee on Budgetary Control. I think that there will certainly be no problem with the time limits set by Mr Aigner for the debate,

and I agree with him that the matter is indeed very important, both for the Community and for the olive-producing countries. For this reason the debate should take place with plenty of time, and with the participation of more Members.

(Parliament decided upon referral back to committee)

7. Adjournment of the session

President. — I declare adjourned the session of the European Parliament.¹

(The sitting was closed at 11.40 a.m.)

¹ Written declarations entered in the Register (Rule 49) — Forwarding of resolutions adopted during the sitting — Dates for next part-session: see Minutes.

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